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**PANHANDLE OIL AND GAS INC. ANNOUNCES  
FISCAL YEAR END 2018 RESERVES UPDATE**

OKLAHOMA CITY – PANHANDLE OIL AND GAS INC. (NYSE: PHX), “the Company,” today announced estimated total proved reserve volumes for the Company’s fiscal year ended Sept. 30, 2018.

**Proved Reserves**

Panhandle’s estimated total proved reserves at Sept. 30, 2018, increased 3% to 173.6 Bcfe from 168.6 Bcfe reported for Sept. 30, 2017, based on SEC mandated pricing. SEC prices at the wellhead at Sept. 30, 2018, were \$2.56 per Mcf of natural gas, \$62.86 per barrel of oil and \$26.13 per barrel of NGL as compared to Sept. 30, 2017, SEC wellhead prices of \$2.81 per Mcf of natural gas, \$46.31 per barrel of oil and \$17.55 per barrel of NGL. Panhandle’s total estimated proved reserves at Sept. 30, 2018 are approximately 69% natural gas, 21% oil and 10% NGL. Sept. 30, 2018 and 2017, proved reserves were calculated by DeGolyer and MacNaughton, an independent petroleum engineering consulting firm.

At Sept. 30, 2018, approximately 63% of total proved reserves, or 109.7 Bcfe, are categorized as proved developed as compared to 66%, or 111.7 Bcfe, at Sept. 30, 2017. Proved undeveloped reserves, or PUD, comprised 37% of total proved reserves, or 63.9 Bcfe, at Sept. 30, 2018, as compared to 34%, or 56.9 Bcfe, at Sept. 30, 2017.

**Management Comments**

Paul F. Blanchard, Panhandle’s President and CEO, commented: “While our year-end 2018 proved reserves only increased 3% as compared to year-end 2017, there were material changes in our underlying business. Year-end 2018 proved oil and NGL reserves grew by one million barrels or 13%, while natural gas reserves declined by 1.1 Bcf. This strong relative growth in oil and NGLs along with a higher SEC oil price in 2018 resulted in the estimated future net cash flows at a 10% discount rate and SEC pricing, growing 62% to \$204.6 million from \$126.0 million in 2017.”

“We strategically made a concerted effort to grow oil and NGLs in 2018, as this was the focus of both our drilling and acquisition efforts, while our divestiture effort focused on eliminating marginal natural gas properties. Growing our oil and NGL reserves along with production will continue to be our focus in 2019. In fact, this growth should accelerate in 2019, with both the higher-return continuous one-rig Eagle Ford drilling program that we anticipate and continued development of our mineral acreage in the STACK, SCOOP, Midland Basin and the Bakken.”

**Definition of Press Release Terms:**

Mcf: thousand cubic feet of natural gas

Bcfe: billion cubic feet of natural gas equivalent

Mcfe: thousand cubic feet of natural gas equivalent (Crude oil and NGL are converted to a thousand cubic feet of natural gas equivalent by using the ratio of one barrel to six Mcf of natural gas.)

NGL: natural gas liquids

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**Proved Reserves – SEC Flat Pricing**

	Proved Reserves SEC Pricing	
	<u>Sept. 30, 2018</u>	<u>Sept. 30, 2017</u>
<b><u>Proved Developed Reserves:</u></b>		
Barrels of NGL	2,085,706	1,768,425
Barrels of Oil	2,334,587	2,201,528
Mcf of Gas	83,151,954	87,861,043
Mcfe	109,673,712	111,680,761
<b><u>Proved Undeveloped Reserves:</u></b>		
Barrels of NGL	848,484	616,274
Barrels of Oil	3,649,835	3,308,139
Mcf of Gas	36,910,082	33,334,077
Mcfe	63,899,996	56,880,555
<b><u>Total Proved Reserves:</u></b>		
Barrels of NGL	2,934,190	2,384,699
Barrels of Oil	5,984,422	5,509,667
Mcf of Gas	120,062,036	121,195,120
Mcfe	173,573,708	168,561,316
10% Discounted Estimated Future		
<b><u>Net Cash Flows (before income taxes):</u></b>		
Proved Developed	\$ 125,915,804	\$ 112,276,166
Proved Undeveloped	78,657,354	13,746,585
Total	<u>\$ 204,573,158</u>	<u>\$ 126,022,751</u>
<b><u>SEC Pricing</u></b>		
Oil/Barrel	\$ 62.86	\$ 46.31
Gas/Mcf	\$ 2.56	\$ 2.81
NGL/Barrel	\$ 26.13	\$ 17.55

**TABLE 1**

**Proved Reserves – Projected Future Pricing (1)**

	Proved Reserves
	<u>Sept. 30, 2018</u>
10% Discounted Estimated Future	
<b><u>Net Cash Flows (before income taxes)</u></b>	
Proved Developed	\$ 155,728,130
Proved Undeveloped	104,462,753
Total	<u>\$ 260,190,883</u>

(1) Projected future pricing as of Sept. 30, 2018, basis adjusted to Company wellhead price

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Panhandle Oil and Gas Inc. Announces  
Fiscal Year End 2018 Reserves Update ...continued

**TABLE 2**

**Probable and Possible Reserves**

DeGolyer and MacNaughton prepared estimates of the Company's probable and possible undeveloped reserves utilizing projected future pricing, basis adjusted to Company wellhead price.

Estimated Net Probable and Possible Reserves	Sept. 30, 2018
Projected Futures Pricing (1)	
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<b>Probable Reserves:</b>	
Barrels of NGL	3,122,142
Barrels of Oil	2,522,716
Mcf of Gas	208,377,033
Mcfe (1)	242,246,181
10% Discounted Estimated Future	
Net Cash Flows (before income taxes)	<u>\$ 133,300,542</u>
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<b>Possible Reserves:</b>	
Barrels of NGL	2,311,678
Barrels of Oil	668,603
Mcf of Gas	202,716,483
Mcfe (1)	220,598,169
10% Discounted Estimated Future	
Net Cash Flows (before income taxes)	<u>\$ 60,815,476</u>

(1) Projected Future Pricing as of Sept. 30, 2018, basis adjusted to Company wellhead price

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*Panhandle Oil and Gas Inc. Announces  
Fiscal Year End 2018 Reserves Update ...continued*

**Panhandle Oil and Gas Inc. (NYSE: PHX)** Oklahoma City-based, Panhandle Oil and Gas Inc. is an oil and natural gas mineral and leasehold acreage-focused capital allocator seeking the highest per share returns while maintaining a conservative net leverage ratio to ensure survivability and prosperity in all business and mineral commodity price cycles. The capital allocation tools include: (i) selective participation in working interest wells on its existing holdings in the highest quality, low-risk projects that are projected to exceed corporate return thresholds; (ii) aggressive leasing of its mineral holdings outside of areas of potential working interest participation; (iii) acquisition of undervalued mineral rights in established resource plays; (iv) divestiture of limited optionality and overvalued mineral rights; (v) payment of quarterly dividends, with optionality for special dividends when available capital exceeds operational requirements and has no other higher shareholder return option for an extended time period; and (vi) repurchase of common shares when the share price trades at a material discount to the company's estimated intrinsic value.

Panhandle's principal properties are located in Oklahoma, Arkansas, Texas, New Mexico and North Dakota. Additional information on the Company can be found at [www.panhandleoilandgas.com](http://www.panhandleoilandgas.com)

**Forward-Looking Statements and Risk Factors** – This report 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. Forward-looking statements include current expectations or forecasts of future events. They may include estimates of oil and gas reserves, expected oil and gas production and future expenses, projections of future oil and gas prices, planned capital expenditures for drilling, leasehold acquisitions and seismic data, statements concerning anticipated cash flow and liquidity, and Panhandle’s strategy and other plans and objectives for future operations. Although Panhandle believes the expectations reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to be correct. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Factors that could cause actual results to differ materially from expected results are described under “Risk Factors” in Part 1, Item 1 of Panhandle’s 2017 Form 10-K filed with the Securities and Exchange Commission. These “Risk Factors” include the worldwide economic recession’s continuing negative effects on the natural gas business; Panhandle’s hedging activities may reduce the realized prices received for oil and natural gas sales; the volatility of oil and gas prices; the Company’s ability to compete effectively against strong independent oil and gas companies and majors; the availability of capital on an economic basis to fund reserve replacement costs; Panhandle’s ability to replace reserves and sustain production; uncertainties inherent in estimating quantities of oil and gas reserves and projecting future rates of production and the amount and timing of development expenditures; uncertainties in evaluating oil and gas reserves; unsuccessful exploration and development drilling; decreases in the values of our oil and gas properties resulting in write-downs; the negative impact lower oil and gas prices could have on our ability to borrow; drilling and operating risks; and our inability to control activities on our properties as the Company is a non-operator.

Do not place undue reliance on these forward-looking statements, which speak only as of the date of this release, as Panhandle undertakes no obligation to update this information. Panhandle urges you to carefully review and consider the disclosures made in this presentation and Panhandle’s filings with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect Panhandle’s business

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