Panhandle
Oil and Gas Inc.
PHX
LISTED
NYSE®

DISCLAIMER

This presentation contains projections and other forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. These projections and statements reflect the Company's current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain factors. A discussion of these factors is included in the Company's periodic reports filed with the U.S. Securities and Exchange Commission.

PANHANDLE OIL AND GAS OVERVIEW

Market Overview	
New York Stock Exchange	PHX
Shares Outstanding (1)	16.6 MM
Share Price (2)	$13.00
Total Equity Value	$215.4
Net Debt (3)	$37.7
Total Enterprise Value	$253.1
Quarterly Dividend	$0.04
Annualized Dividend Yield	1.23%

Summary Statistics	
Production (Mmcfe/d) (4)	26.9
Proved Reserves (Bcfe) (5)	159.5
% Oil	19%
% NGL	12%
% Gas	69%
Net Mineral Acres (6)	259,105
% Producing	24%
% Leased but Not Producing	5%
% Open	71%

(1) As of March 31, 2019
(2) As of June 6, 2019
(3) Net debt = Total debt less cash and A/R plus A/P; as of March 31, 2019
(4) Average for the quarter ended March 31, 2019
(5) As of March 31, 2019
(6) As of March 31, 2019

Investment Highlights

- Focused on perpetual mineral ownership
- Ownership in multiple top tier resource plays
- Exposure across the product spectrum – oil, NGL and natural gas
- Large inventory of low-risk development opportunities
- Material undeveloped mineral position in oil and gas producing basins
- Simple balance sheet with retained earnings and low debt
- Conservative management focused on long-term value creation

CORPORATE STRATEGY

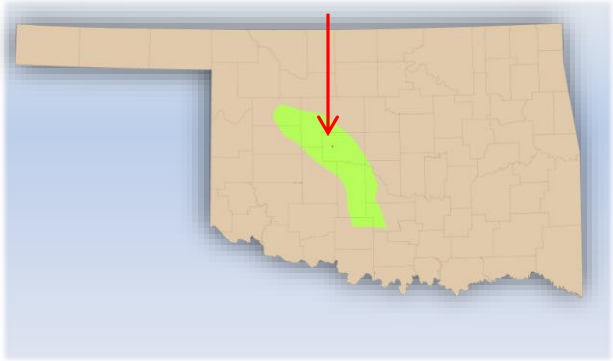
- Manage Mineral Ownership as a Portfolio to Maximize Value and Generate Optimal Free Cash Flow
  - Actively lease our mineral acreage
  - Acquire additional mineral rights on accretive basis
  - Sell mineral rights when valuation makes sense
  - Participate with a working interest in high-return low-risk opportunities
- Maintain Strong and Flexible Financial Position
  - Manage debt, cash and working capital
  - Hedge appropriately to lock in returns
- Reward Shareholders
  - Pay regular and/or special dividends
  - Repurchase shares opportunistically
    - Repurchased approximately $5.0 million of common stock through first eight months of fiscal 2019 at an average price of $15.46
  - Returned approximately $14.6 million in aggregate through dividends, repurchases and debt repayments; implies an annualized shareholder return yield of 10.0%

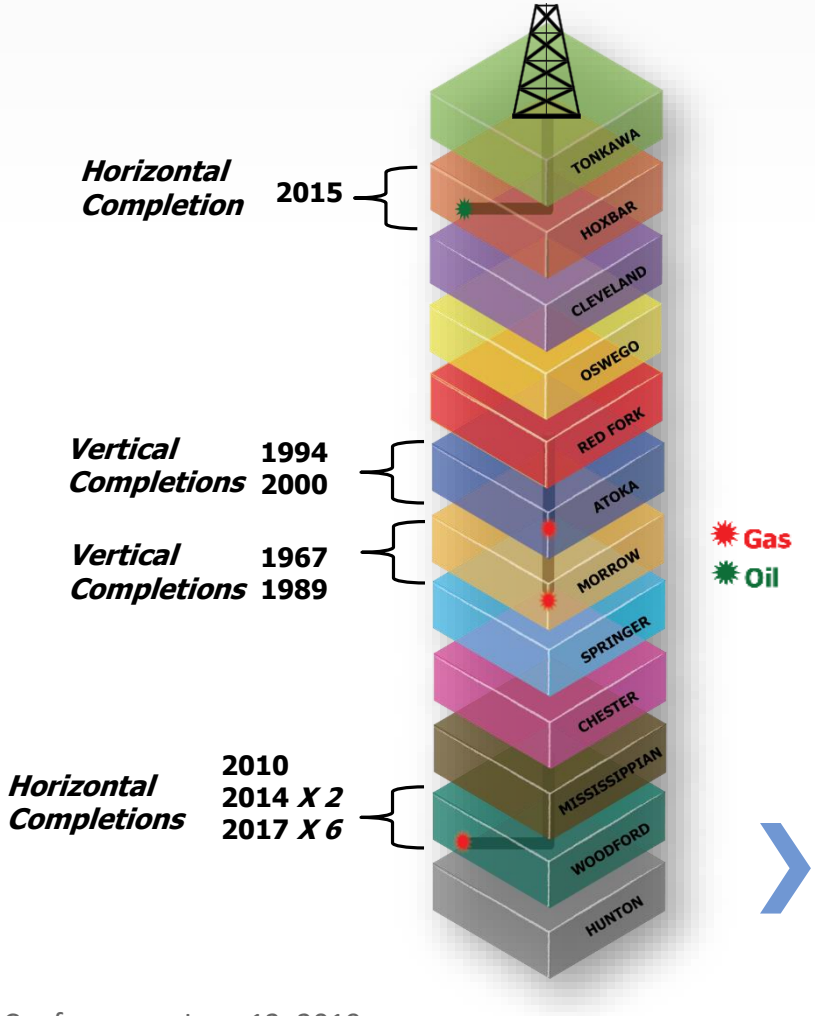
WHY MINERALS?

1927	1949	1970	1978	1990	2019 & Beyond
Electrical Logging	Hydraulic Fracturing	Seismic Technology	Measurement While-Drilling	Shale Fracturing	Future Technology

- Perpetual option to benefit from future development and technology
- No additional cost once owned

Anadarko Basin
Section 33-13N-9W
Canadian Co., Oklahoma





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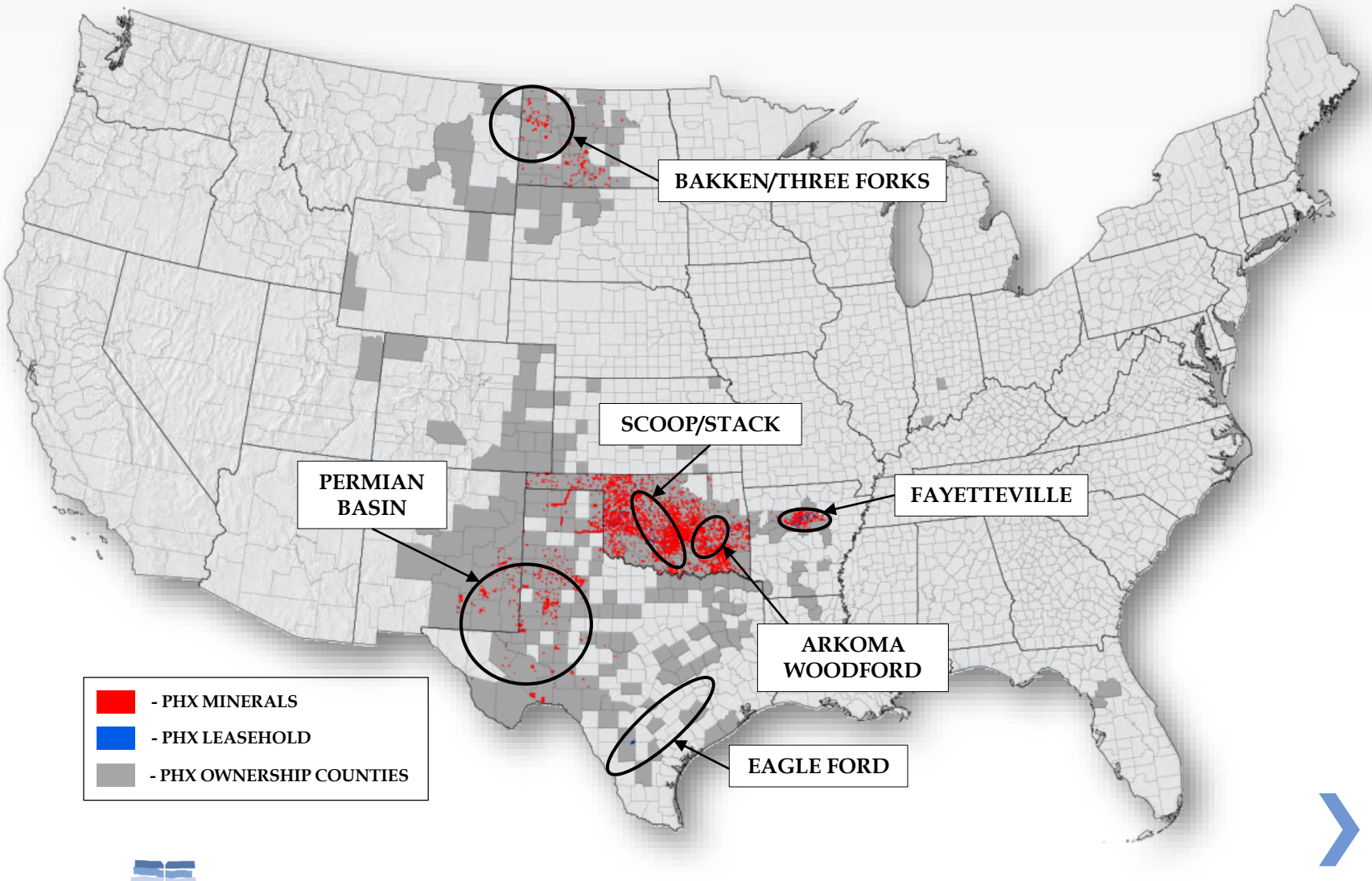
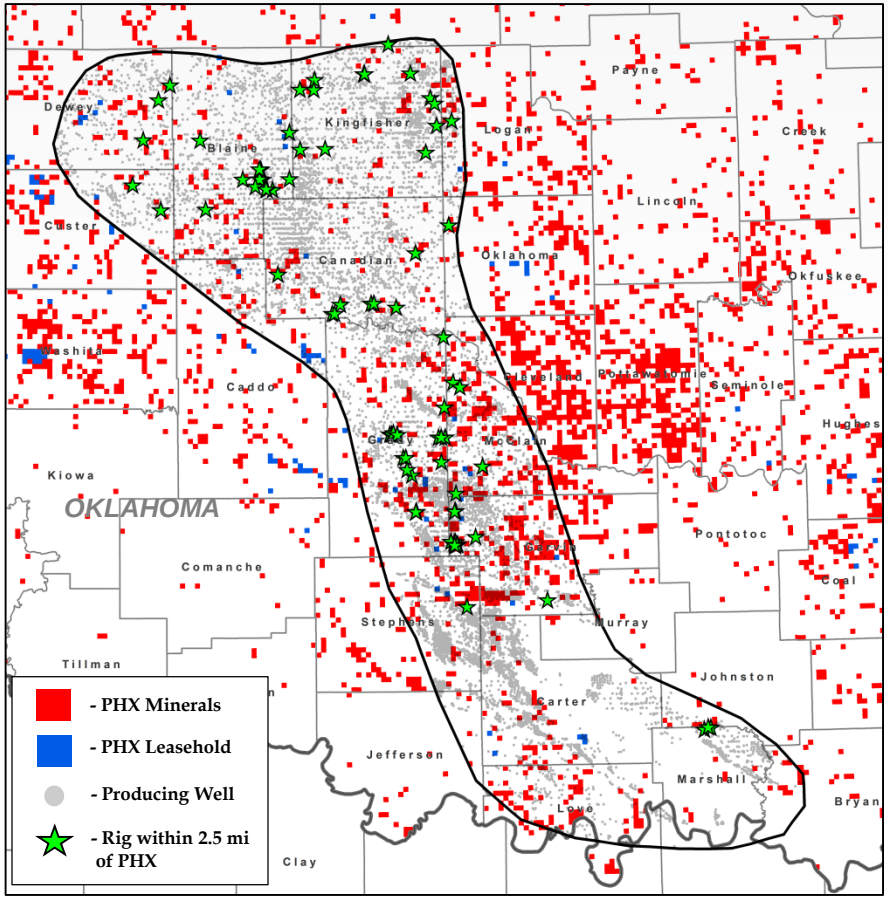
MINERAL AND LEASEHOLD POSITION



SCOOP / STACK POSITION



- ~ 10,600 net mineral acres
- Current Net Production (1) – 140 bbl of oil, 288 bbl of NGL and 4,168 Mcf of gas per day
- Acquired ~374 net mineral acres for ~$1.8 million during first half of fiscal 2019
- 13 rigs operating on PHX acreage and 78 rigs within 2.5 miles of PHX acreage
- 151 permits filed on PHX acreage TTM(2)
- Operators are increasing well density in certain sections as well results continue to show improvement
- Active program to lease open mineral acres

Top Active Operators (3)

Continental Resources

eog resources

devon

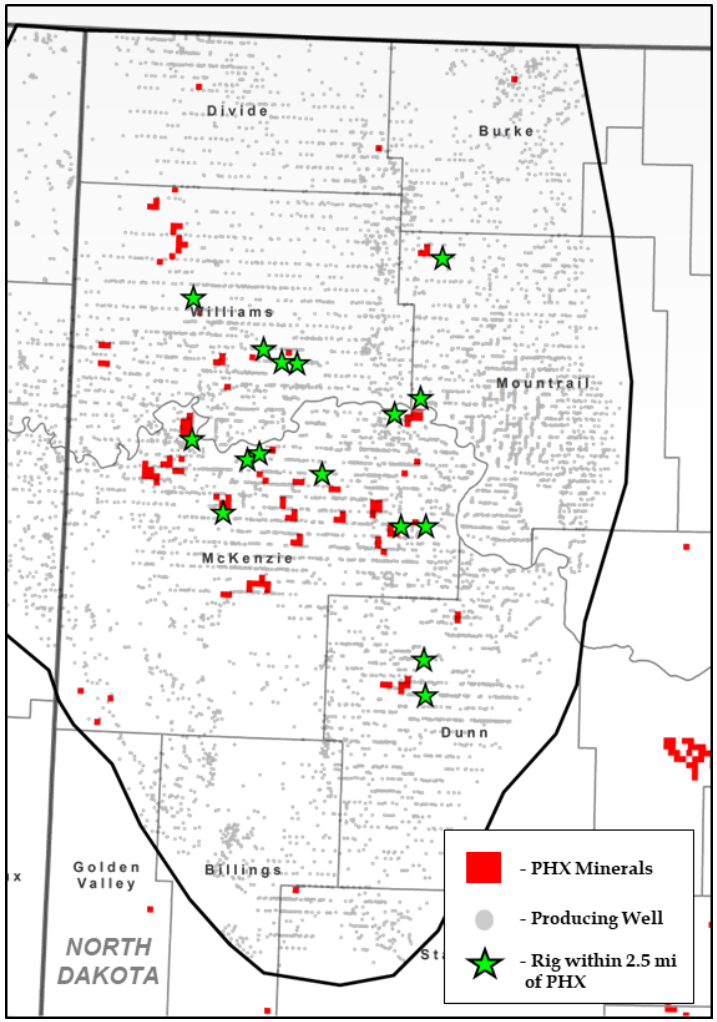
ROAN Resources

NEWFIELD

(1) For quarter ended March 31, 2019
(2) As of March 31, 2019
(3) By number of approved permits on PHX acreage only

Panhandle Oil and Gas Inc. NYSE: PHX

BAKKEN/THREE FORKS POSITION



- ~ 2,700 net mineral acres
- Current Net Production (1) – 162 bbl of oil, 16 bbl of NGL and 311 Mcf of gas per day
- May 28, 2019 - Completed first of two closings on acquisition of 319 net mineral acres for $3.48 million
  - Net royalty production of 52 boepd
  - Estimated May 2019 cash flow of $52,300
  - 130 undeveloped locations remaining
- 1 rig operating on PHX acreage and 16 rigs operating within 2.5 miles of PHX acreage
- 45 permits across PHX acreage TTM(2)
- Activity in the play is accelerating again post downturn
- Panhandle has an active mineral buying program in the core of the play

Top Active Operators (3)

HESS
ZAVANNA LLC
ConocoPhillips
WHITING
OASIS PETROLEUM

(1) For quarter ended March 31, 2019
(2) As of March 31, 2019 (pro forma May 2019 acquisition)
(3) By number of approved permits on PHX acreage only

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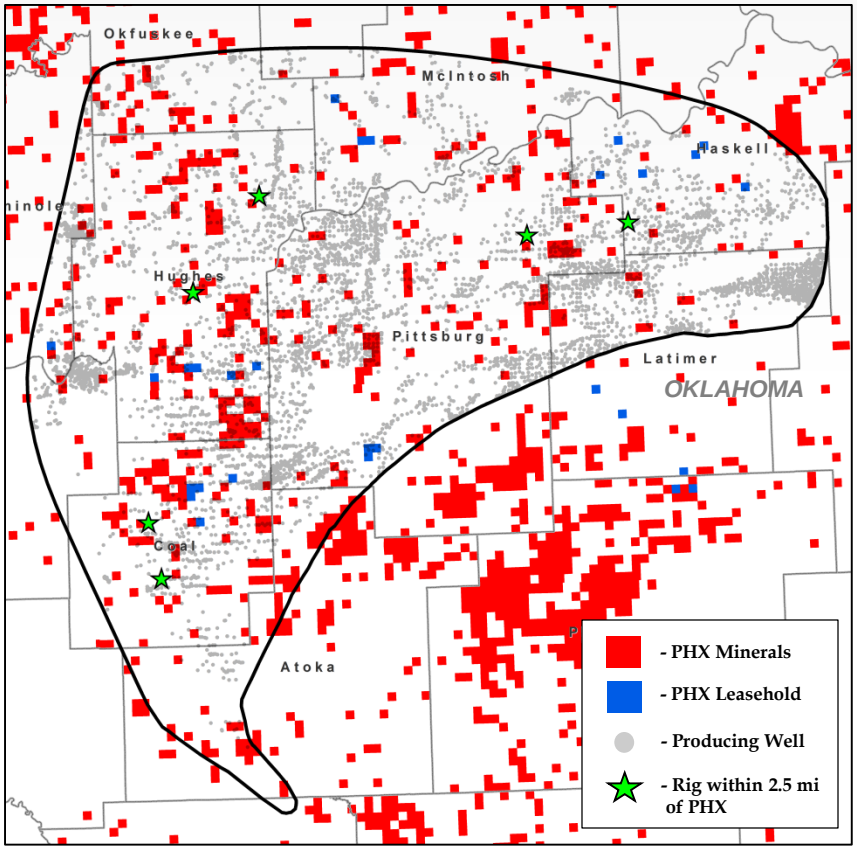
ARKOMA WOODFORD POSITION



- ~ 11,800 net mineral acres
- Current Net Production (1)(2) – 52 bbl of NGL and 5,340 mcf of gas per day
- 1 rig operating on PHX acreage and 6 rigs operating within 2.5 miles of PHX acreage
- 30 permits filed on PHX acreage TTM(3)
- Activity continues to ramp up as operators are testing new formations and expanding the boundaries of the play (also referred to as the Arkoma stack)

Top Active Operators (4)

Bravo Arkoma LLC

Calyx Energy III, LLC

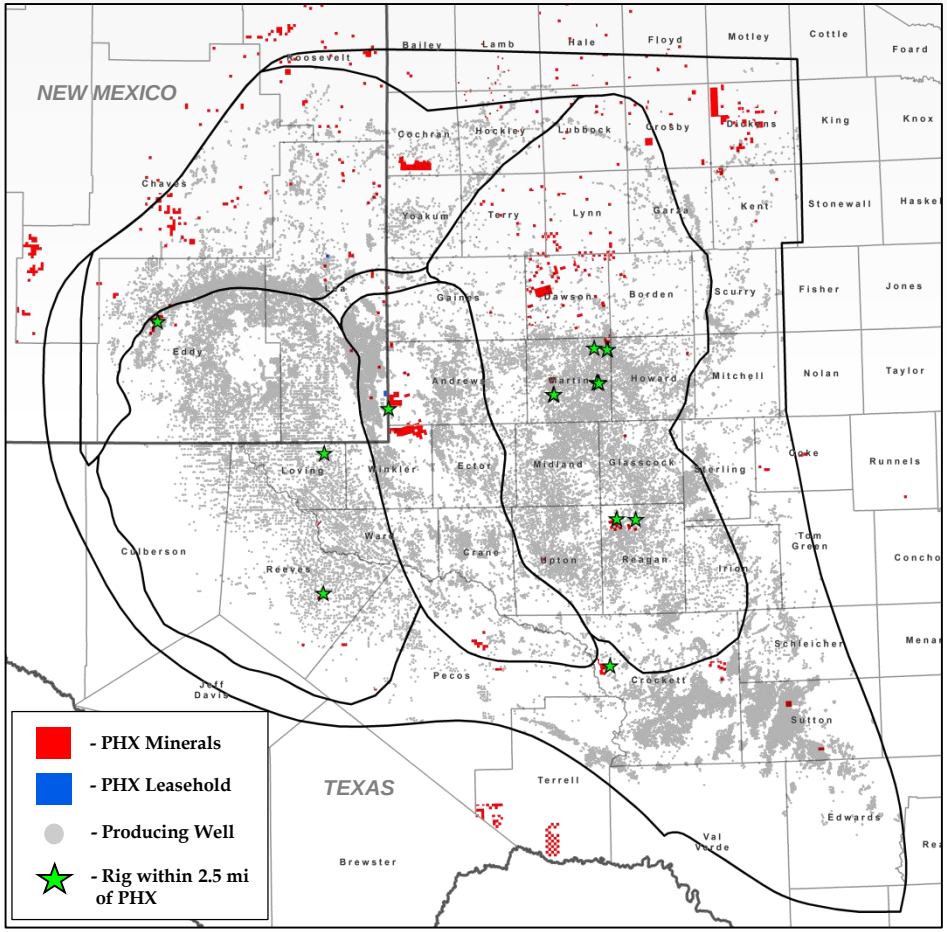
TRINITY OPERATING

CANYON CREEK ENERGY

Red Mountain Operating LLC

(1) For quarter ended March 31, 2019
(2) Production is down as a result of workovers and lateral clean outs associated with high working interest wells drilled in 2017
(3) As of March 31, 2019
(4) By number of approved permits on PHX acreage only

PERMIAN BASIN POSITION



- ~ 33,000 net mineral acres
- Current Net Production (1) – 77 bbl of oil, 10 bbl of NGL and 62 Mcf of gas per day
- 2 rigs operating on PHX acreage and 16 rigs operating within 2.5 miles of PHX acreage
- 55 permits across PHX acreage TTM(2)
- Active effort to bring forward cash flow via monetization of certain acres
  - Signed LOI to sell 505 net mineral acres for $7.4 million; closing expected within the next 60 days
  - Sold 206 net mineral acres for $9.1 million in November 2018

Top Active Operators (3)

PERCUSSION PETROLEUM LLC

XTO ENERGY

element petroleum III, llc

Endeavor Energy Resources LP

PARSLEY ENERGY

(1) For quarter ended March 31, 2019
(2) As of March 31, 2019
(3) By number of approved permits on PHX acreage only

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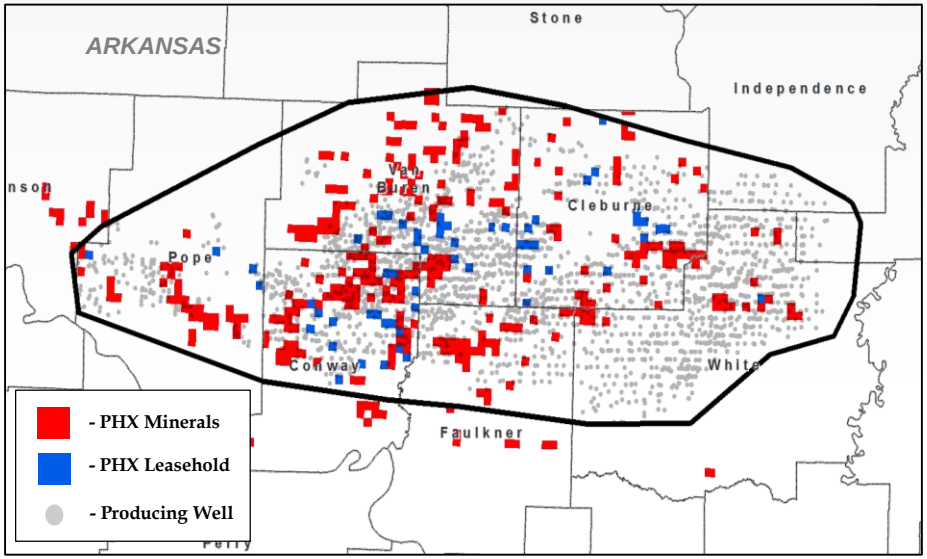
FAYETTEVILLE POSITION



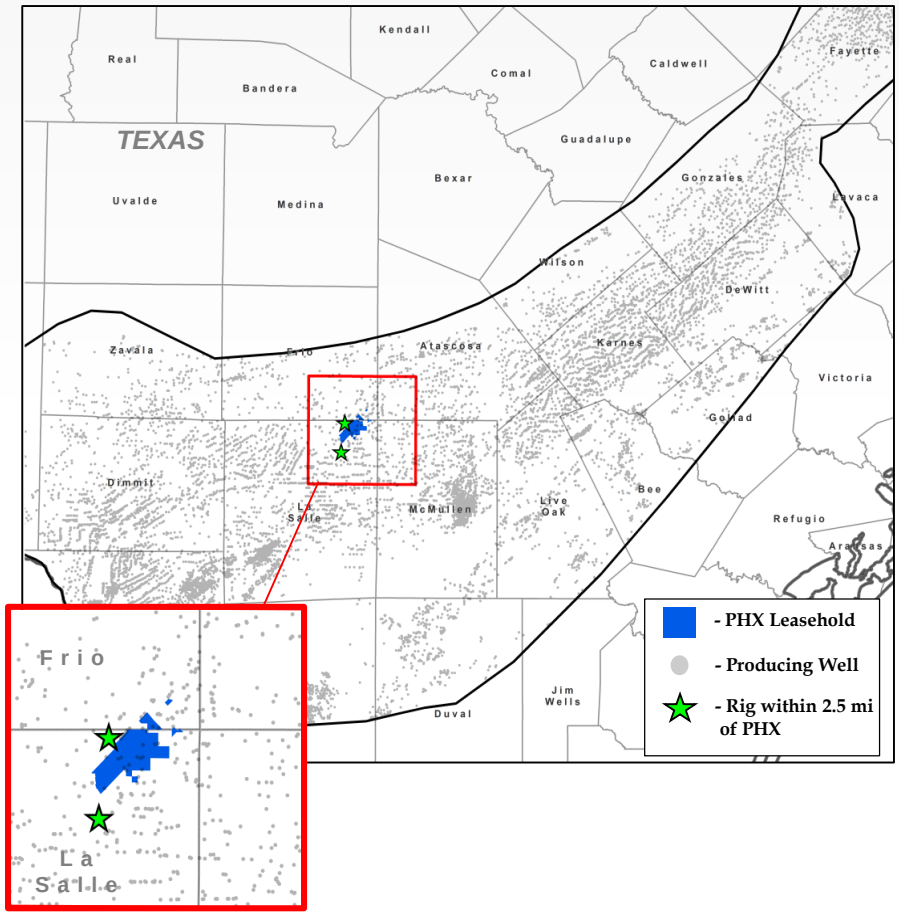
- ~ 10,000 net mineral acres
- Current Net Production (1) – 5,860 Mcf of gas per day
- No rigs currently operating
- Recent leasehold transactions involving Flywheel and Merit could generate renewed interest in the play
- Moorefield upside potential

Top Active Operators (2)

FLYWHEEL ENERGY

(1) For quarter ended March 31, 2019
(2) By number of approved permits on PHX acreage only

EAGLE FORD POSITION



- ~ 1,800 net acres (leasehold)
  - Non-op working interest position in the oil window of the Eagle Ford play
  - 100% HBP
  - 86 undeveloped locations with average WI of 16% and NRI of 12% in the AMI
- Current Net Production (1) – 264 bbl of oil, 31 bbl of NGL and 174 Mcf of gas per day
- 7 wells currently on first production with average 30 day IP rate of 860 boe per day (69 boepd net to Panhandle)
- 2 rigs operating within 2.5 miles of PHX acreage
- Offset operators include XTO, EOG and Venado

Top Active Operators (2)

(1) For quarter ended Mach 31, 2019
(2) By number of approved permits on PHX acreage only

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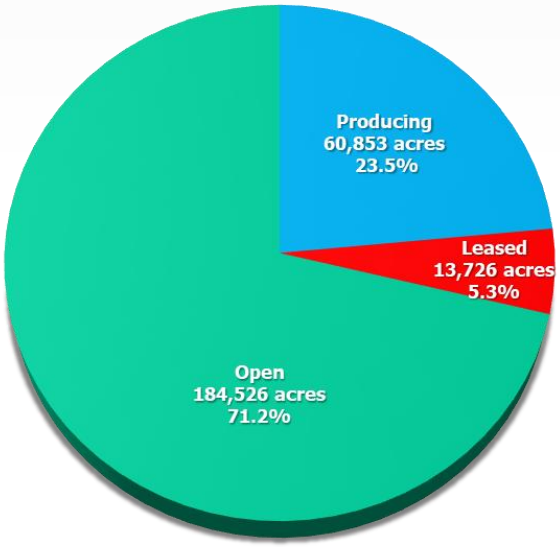
CHEYENNE

NET MINERAL ACREAGE (1)

- Over 70% of Panhandle's net mineral position is currently open
  - Provides opportunity to generate additional cash flow from bonus payments and royalties without spending additional capital; and participate as a working interest partner
- Panhandle has an active program in place to lease open acres

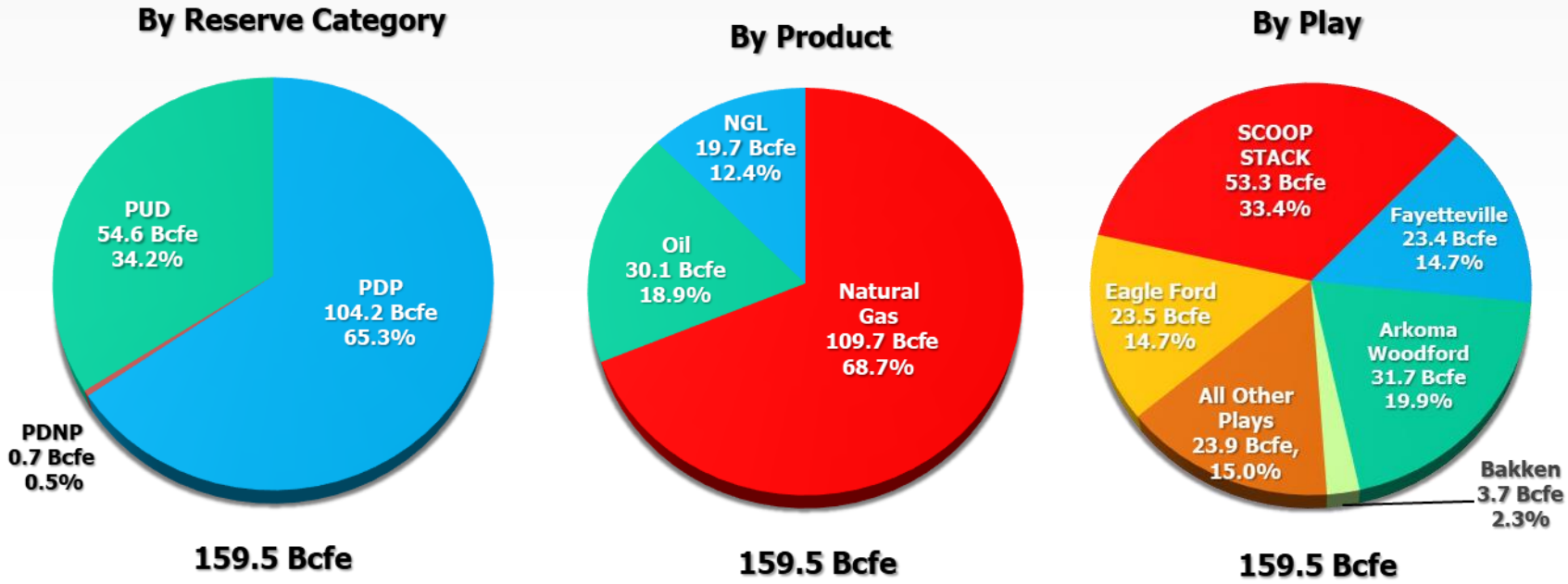


259,105 net mineral acres

Producing – Mineral acres in which Panhandle owns a royalty or working interest in a producing well
Leased – Mineral acres owned by Panhandle that are leased to third parties but not producing
Open – Mineral acres owned by Panhandle that are not leased or in production

(1) As of March 31, 2019

SEC PROVED RESERVES(1)



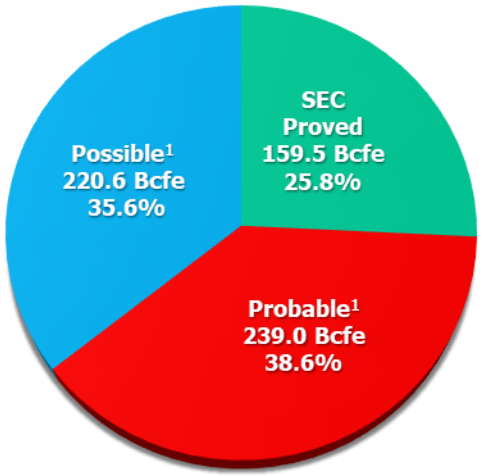
PDP – Proved Developed Producing Reserves
PDNP – Proved Developed Non-Producing Reserves
PUD – Proved Undeveloped Reserves (requires capital to develop)

(1) As of March 31, 2019

PROVED, PROBABLE & POSSIBLE RESERVES(1)

- Total Proved, Probable and Possible reserves represent less than 26% of total acreage
  - Conservative undeveloped reserve bookings in premier resource plays
  - Additional reserve potential outside premier resource plays

by Reserve Category



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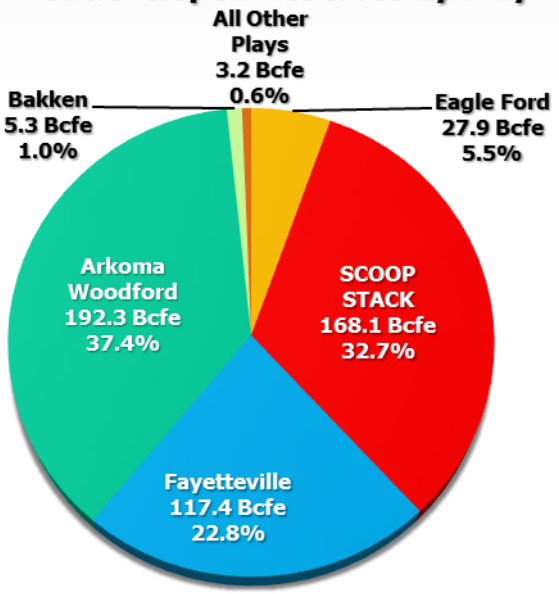
[1]Prepared in accordance with Petroleum Resources Management System

Undeveloped Reserves by Play

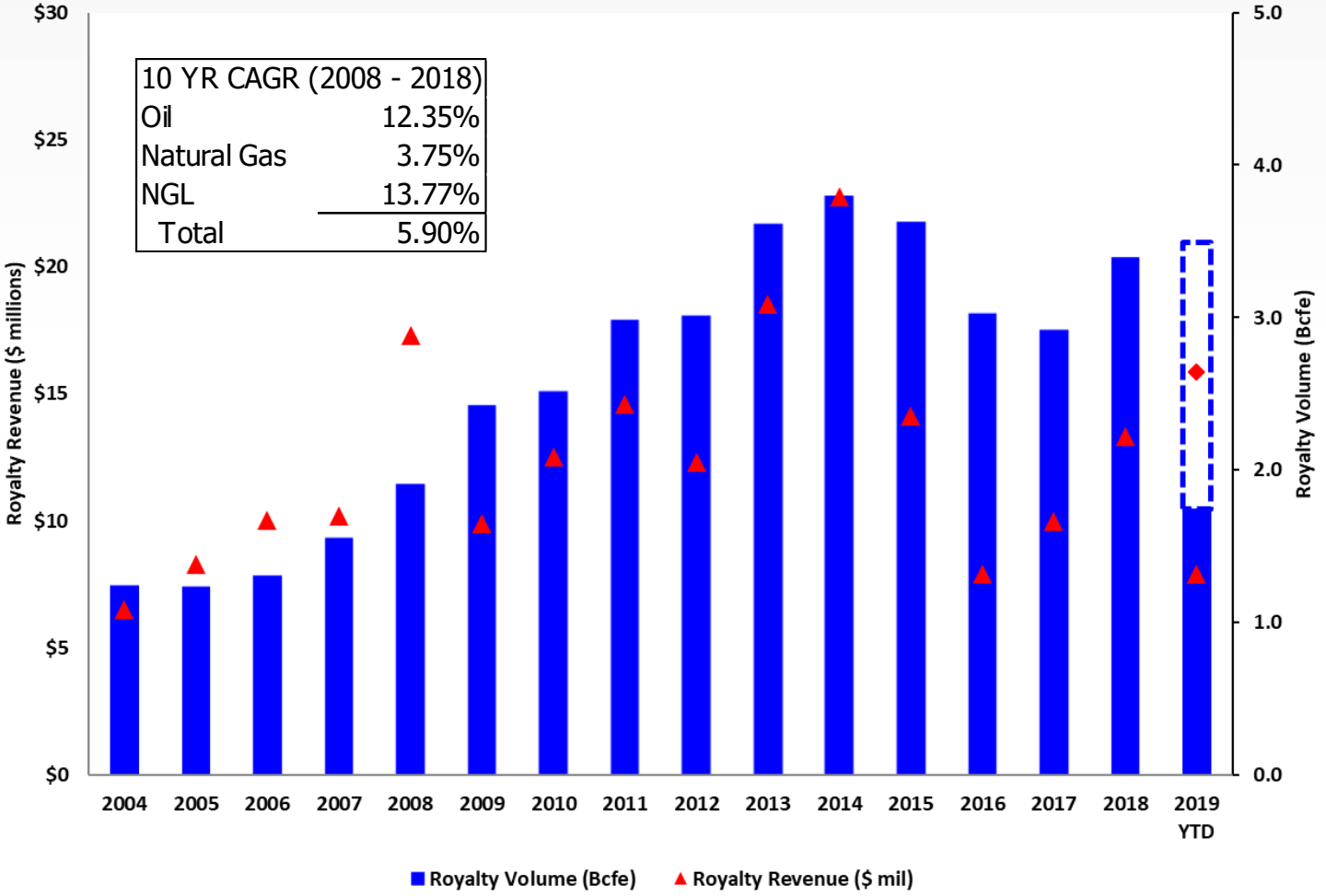


514.2 Bcfe

(1) As of March 31, 2019

MINERAL PRODUCTION: STEADY GROWTH

- Proven organic growth from existing mineral portfolio

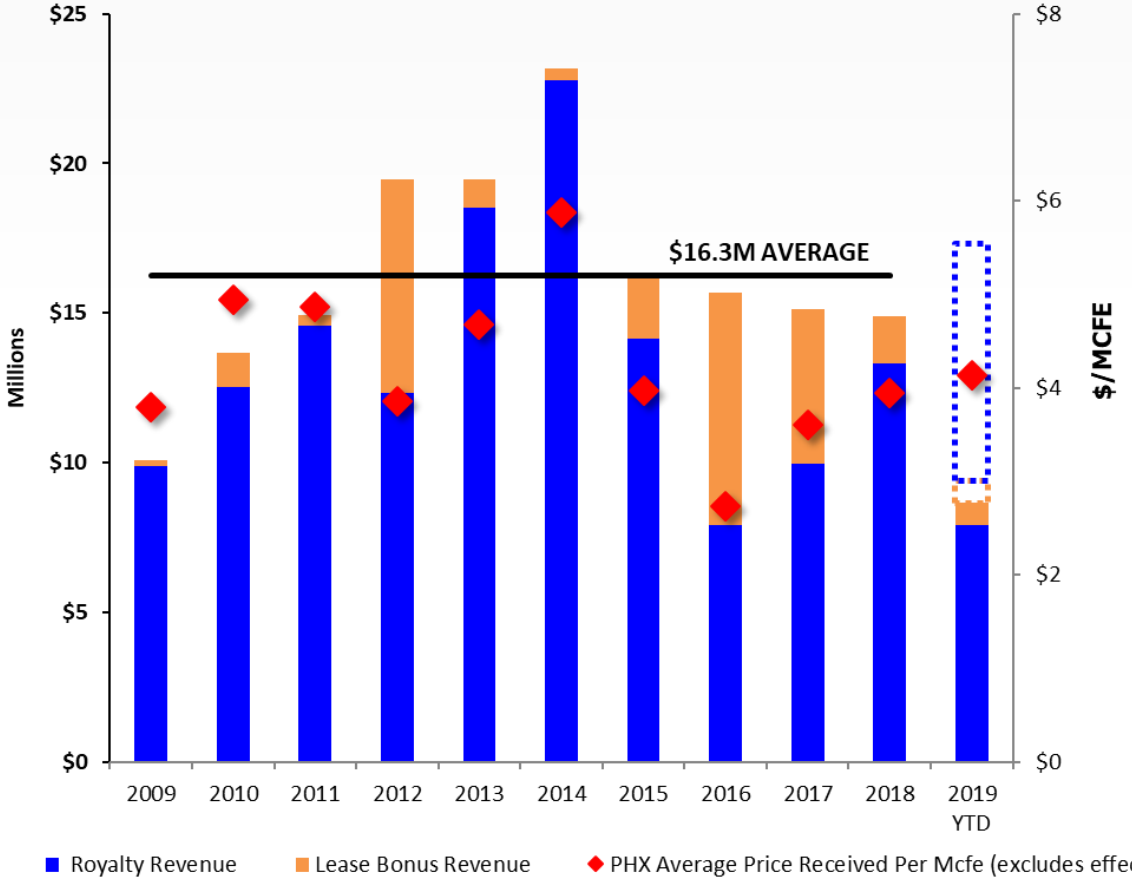


Notes:
(1) 2019 YTD represents first six fiscal months ended Mach 31, 2019. Stacked bar represents annualized first two quarters of 2019

Panhandle Oil and Gas Inc. NYSE: PHX

MINERAL REVENUE: ROYALTY & LEASE BONUS

- Actively focused on leasing open acres to generate additional lease bonus revenue and future royalty revenue



Notes:
(1) Average exclude 219 YTD
(2) 2019 YTD represents first six fiscal months ended Mach 31, 2019. Stacked bar represents annualized first two quarters of 2019

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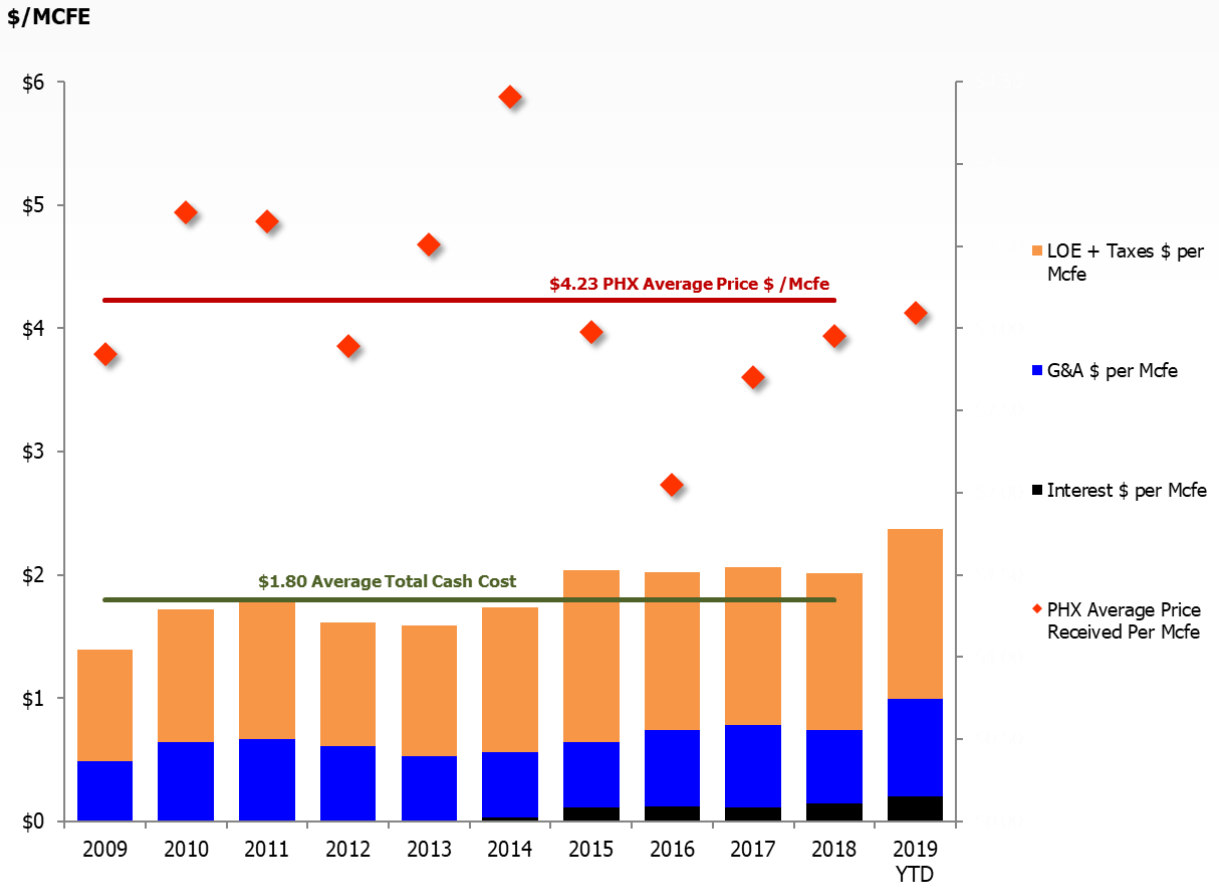
CASH MARGIN PER MCFE

- Revenues generated from mineral ownership generate compelling cash margin across various hydrocarbon pricing scenarios

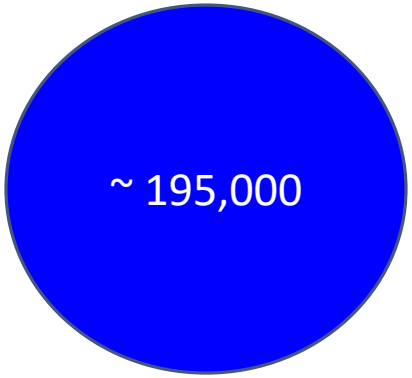


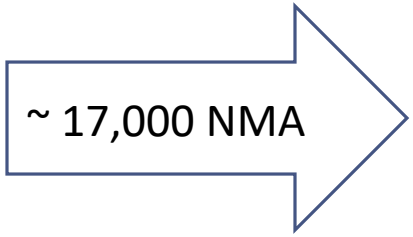
Notes:
(1) Averages exclude 219 YTD
(2) 2019 YTD represents first six fiscal months ended Mach 31, 2019

ACTIVE MINERAL MANAGEMENT

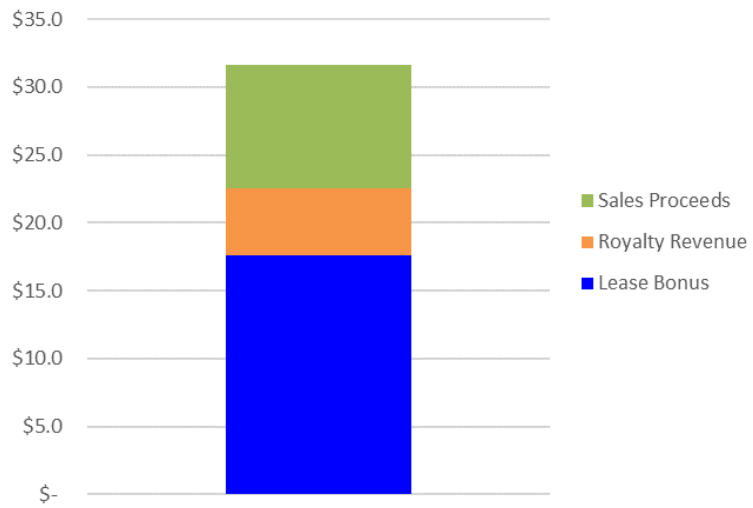
- Unleased mineral acres have significant value and ability to generate cash flow / earnings
  - Over $30 mil of cash flow generate from acres in this category in last 5 years with no additional capital investment
- Value is unlocked when appropriately managed
- Panhandle has an active leasing program to maximize value of its unleased mineral position
- Rule of thumb: Minerals typically sell for 3 – 5 times the value of a lease bonus

Unleased Acres as of 9/30/14





Revenue Generated Since 10/1/14



Notes:
Royalty revenue comes from 199 gross wells put on production. Additional 71 gross wells producing with revenue forthcoming
Royalty revenue is approximately 70% oil, 20% gas and 10% NGL

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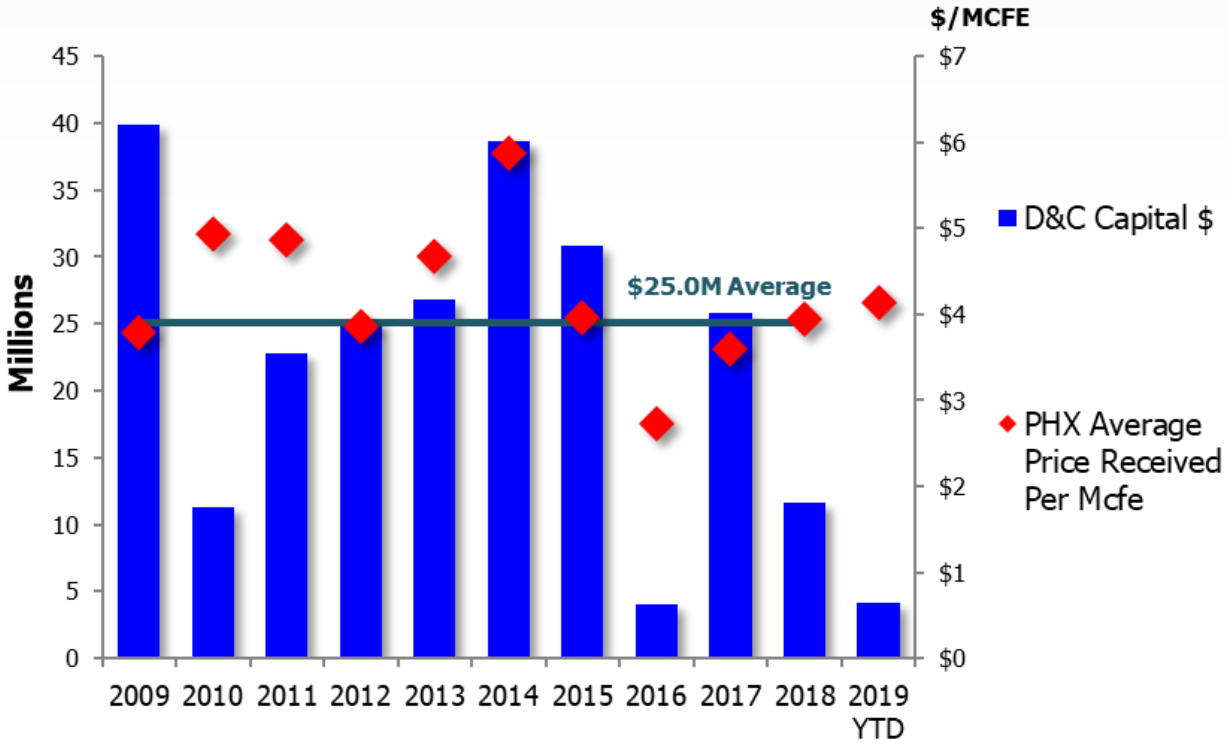
DRILLING & COMPLETION CAPEX

- Panhandle is applying higher return requirements for its future investment in working interest assets and is focusing primarily on minerals
- Panhandle has not elected to participate in any working interest wells proposed in fiscal 2019



Notes:
(1) Average exclude 219 YTD
(2) 2019 YTD represents first six fiscal months ended Mach 31, 2019

HEDGE POSITION AS OF MAY 9, 2019

Calendar Year	Product	Volume Mcf/Bbl	Swap Price	Collar Average Floor Price	Collar Average Ceiling Price
2019	Natural Gas	3,400,000	$2.99		
2020	Natural Gas	1,260,000	$2.81		
2019	Crude Oil	58,000		$59.31	$69.47
2019	Crude Oil	102,000	$58.12		
2020	Crude Oil	48,000		$58.75	$66.79
2020	Crude Oil	72,000	$57.98		

FINANCIAL HIGHLIGHTS

	For the Six Months Ended March 31, 2019		2018	
Working Interest Sales	$	13,505,476	$	18,668,088
Royalty Interest Sales	$	7,926,562	$	6,485,367
Lease bonus	$	723,303	$	596,157
Total revenue[(1)]	$	33,965,207	$	23,911,784
Lease operating expenses	$	6,092,748	$	6,844,277
Depreciation, depletion and amortization	$	7,437,662	$	9,516,902
Provision for impairment	$	-	$	-
Total expenses	$	19,719,601	$	21,790,669
Pre-tax net income (loss)	$	14,245,606	$	2,121,115
Tax provision (benefit)	$	3,441,000	$	(12,734,000)
Net income (loss)	$	10,804,606	$	14,855,115
Earnings per share	$	0.64	$	0.87
TTM Adjusted EBITDA[(1)]	$	29,455,120	$	28,531,296
Net cash provided by operating activities	$	9,061,054	$	15,359,982
Capital expenditures - D&C	$	4,159,683	$	6,544,481
Mcfe sold		5,186,055		6,364,087
Average Mcfe sales price	$	4.13	$	3.95

(1) Includes gain on asset sales

CONDENSED BALANCE SHEET

- Targeted debt to TTM Adjusted EBITDA < 2.0x
- Currently 1.50x as of quarter end March 31, 2019

	March 31, 2019	September 30, 2018
Current assets	$ 8,928,739	$ 8,246,176
Net property and equipment	196,571,271	198,284,401
Other	299,323	219,109
Total assets	$ 205,799,333	$ 206,749,686
Current liabilities	$ 1,939,183	$ 5,737,126
Long-term debt	44,100,000	51,000,000
Deferred income taxes	22,030,007	18,088,007
Asset retirement obligation, other	2,897,354	3,159,348
Retained earnings	134,723,381	125,266,945
Total other shareholders equity	109,408	3,498,260
Total liabilities and equity	$ 205,799,333	$ 206,749,686

INVESTMENTS HIGHLIGHTS

- Focused on perpetual mineral ownership
  - PHX generates revenue whether we participate with a Working Interest or take a Lease Bonus plus a Royalty Interest
  - Mineral rights provide a perpetual option to benefit from future technology and knowledge
- Ownership in multiple top-tier resource plays
- Exposure across the product spectrum - natural gas, NGL and oil
- Large inventory of low-risk development opportunities
- Material undeveloped mineral position in oil and gas producing basins
- Simple balance sheet with retained earnings and low debt
- Conservative management focused on long-term value creation

Appendix

PORTFOLIO MANAGEMENT

	Fiscal 2018		YTD [1] 2019	
Mineral Portfolio Management				
Minerals Leased Out				
Net Acres	2,304		1,092	
Bonus Payment Received per Acre	$ 679		$ 676	
Average Royalty	23.4%		20.1%	
Total Lease Bonus	$ 1,564,225		$ 737,812	
Minerals Sold				
Net Acres	N/A		206	
Price per Acre	N/A		$ 44,160	
Total Sold	N/A		9,096,938	
Minerals Purchased				
Net Acres	4,306		374	
Price per Acre	$ 2,600		$ 4,800	
Total Purchased	$ 11,327,371		$ 1,809,775	
Working Interest Participation Rate [2]	35%		0%	
Capital Allocation				
Core Resource Play D&C	$ 11,590,135	41%	$ 4,159,683	23%
Core Resource Play Acquisition	$ 11,327,371	41%	$ 1,809,775	10%
Regular Dividends	$ 2,698,940	10%	$ 1,348,170	7%
Stock Repurchase	$ 1,219,228	4%	$ 3,967,685	22%
Debt Repayment	$ 1,222,000	4%	$ 6,900,000	38%

(1) Through fiscal 2nd quarter ended March 31, 2019
(2) Based on wells proposed and reviewed on Panhandle's minerals. One well proposal was accepted in Q1, 2019 but was subsequently pulled by the operator

MINERAL OWNERSHIP IN A DRILLING UNIT

640 Acre Drilling Unit

Working Interest Participation

640 acres -> 100%

Panhandle Working Interest -> 100%

Panhandle Revenue Interest -> 100%

Lease out Mineral Acreage

- Negotiated Upfront Cash Bonus Payment to Panhandle - $2,000/acre

  640 acres X $2,000/acre -> $1,280,000

- Negotiated Royalty Percentage -> 20%

  Panhandle Working Interest -> 0%

  Panhandle Royalty Interest -> 20%

DEFINITIONS

- Mineral Ownership
  - The right to extract all minerals below the surface at any depth
- Working Interest
  - Responsible for capital investments and operating expenses
  - Receives revenue from natural gas, oil and NGL sales
  - Pays a royalty to the mineral owner
- Royalty Interest
  - Proceeds paid to the mineral owner based on a negotiated royalty percentage
  - Not responsible for any capital investments or well operating expenses
- 3P
  - Proved, Probable and Possible reserves