



NYSE: PHX

Investor Presentation

February 2022



Cautionary Statement Regarding Forward-Looking Statements

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Cautionary Statement Regarding Forward-Looking Statements

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Use of Non-GAAP Financial Information

This presentation includes certain non-GAAP financial measures. Adjusted EBITDA and discretionary cash flow are supplemental non-GAAP measures that are 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 defines "discretionary cash flow" as Adjusted EBITDA minus interest expense plus gain on sale. PHX references Adjusted EBITDA and discretionary cash flow in this presentation because it recognizes that certain investors consider Adjusted EBITDA and discretionary cash flow useful means of measuring our ability to meet our debt service obligations and evaluating our financial performance. Adjusted EBITDA and discretionary cash flow have 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 or discretionary cash flow 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 September 30, 2020, referenced in this presentation were prepared by DeGolyer and MacNaughton, 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.

Investment Considerations

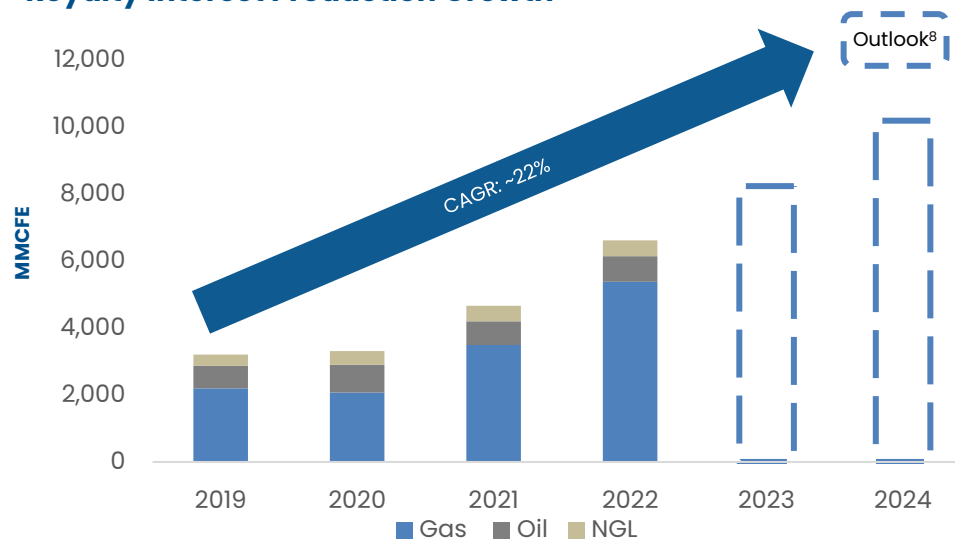
PHX is a growth oriented mineral rights company focused on natural gas

- ✓ **Dramatic turnaround high-grading asset base completed**
- ✓ **New strategy focused on growing higher margin royalty production and reserves**
- ✓ **Low capital requirement model positions company for significant free cash flow generation**
- ✓ **Strong returns on invested capital with ongoing opportunity for accretive acquisitions**
- ✓ **Hedging program protects downside risk and provides upside exposure to rising natural gas prices**

Key Statistics

NYSE	PHX
Market Cap ¹	\$128.6
Enterprise Value ²	\$159.8
Pro forma Liquidity ³	\$41.1
Dividend Yield ⁴	2.49%
Leverage ⁵	1.25x
Calendar 2022 Adjusted EBITDA ⁶	\$26.7
Calendar 2022 ROCE ⁷	~16%

Royalty Interest Production Growth



Source: Company information and Enverus

¹ Based on \$3.61 per share on 01/31/2023 and 35.64M shares outstanding as of 12/31/2022

² Debt of \$33.3m minus cash on hand of \$2.1m as of 12/31/2022

³ Calculated as working capital (current assets less current liabilities excluding current derivatives) plus availability on the borrowing base as of 12/31/2022 ; Pro-forma proceeds from divestitures of Eagleford and Arkoma working interest assets

⁴ Based on \$0.09 Dividend per share

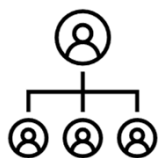
⁵ Debt / TTM Adjusted EBITDA

⁶ See slide 29 for Non-GAAP reconciliation

⁷ See slide 6 for ROCE definition

⁸ Based upon current growth trends

Corporate Highlights



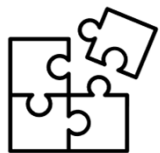
Seasoned management and technical team

- Management team and Board with significant experience and deep relationships throughout PHX's core areas
- Strong track record of delivering on stated strategy
- Management and Board have significant common equity stake



Attractive valuation relative to mineral focused peer group

- Trading at a discount relative to reserve value and based on peer group TEV/ EBITDA multiple
- Free cash flow yield of ~20%
- Current dividend yield of 2.49%¹
- Clean capital structure and low leverage and ample liquidity



Proven track record of acquiring undervalued assets

- Actively pursue high-quality positions in targeted regions
- Highly fragmented minerals space provide ample supply of private minerals assets seeking monetization
- Limited capital market options for sellers seeking an exit
- PHX's average acquisition size targets underserved segment of the market
- Minimal incremental G&A required to meaningfully scale
- No further capital requirements once minerals are owned

Strategy Execution

Goals Set in early 2020

High Grade Asset Base

- Grow royalty production (higher margin/lower cost)
- Improve line of sight development opportunities
- Exit working interest assets (higher cost/lower margin)
- Divest unleased non-producing minerals lacking scale and line of sight development

Build a strong and sustainable balance sheet

Become a consolidator in the mineral space

Generate return on capital employed (ROCE)



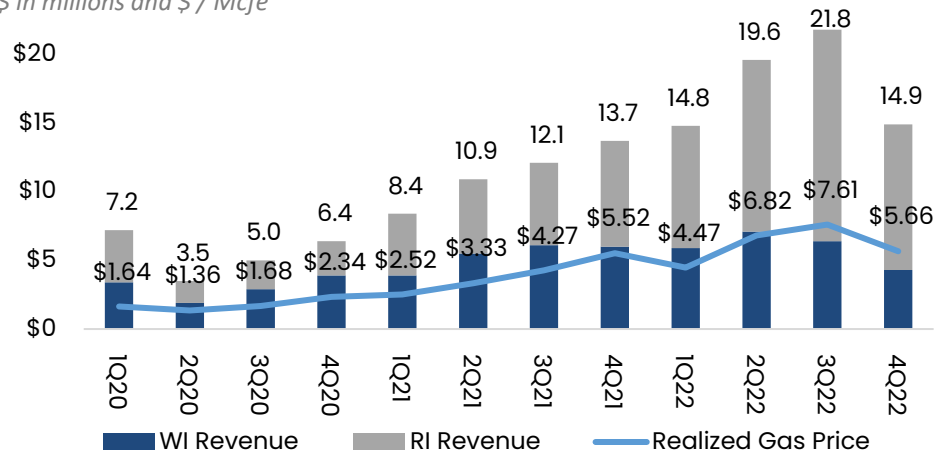
Achievements Through 2023 YTD

- Annual royalty volume growth since 2020: ~85%
 - Targeted Mineral acquisitions completed: ~\$102 million
 - Built a 10+ year inventory of line of sight development locations
 - Working interest wellbores sold: ~1,350
 - Unleased non-producing mineral acres sold: ~24,400
-
- Reduced leverage: ~2.5x to ~1.25x (Debt / TTM Adjusted EBITDA¹)
 - Improved commercial bank lending terms and relationships
 - Enhanced liquidity profile as a result of superior asset performance and more predictable development timing
 - Resilient balance sheet designed to withstand commodity price volatility
-
- Mineral acquisition transactions completed: 55
 - Focus on smaller acquisition in targeted areas: ~\$1.8 million average (generates higher returns with less competition)
 - Acquisitions to date have generated returns far in excess of cost of capital
 - ~90% of free cash flow to be redeployed into high quality line of sight minerals
-
- Generated ~16% ROCE² in 2022 up from ~0% in 2019 and 2020

Royalty Cash Flow Driving Shareholder Value

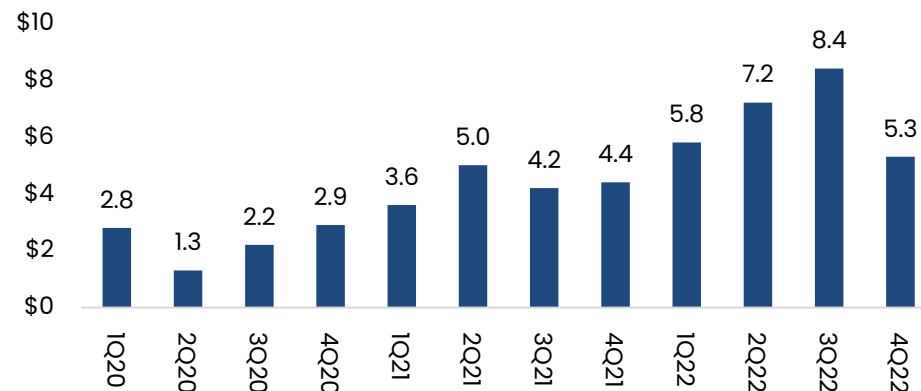
Oil & Gas Sales and Realized Nat. Gas Price

\$ in millions and \$ / Mcfe



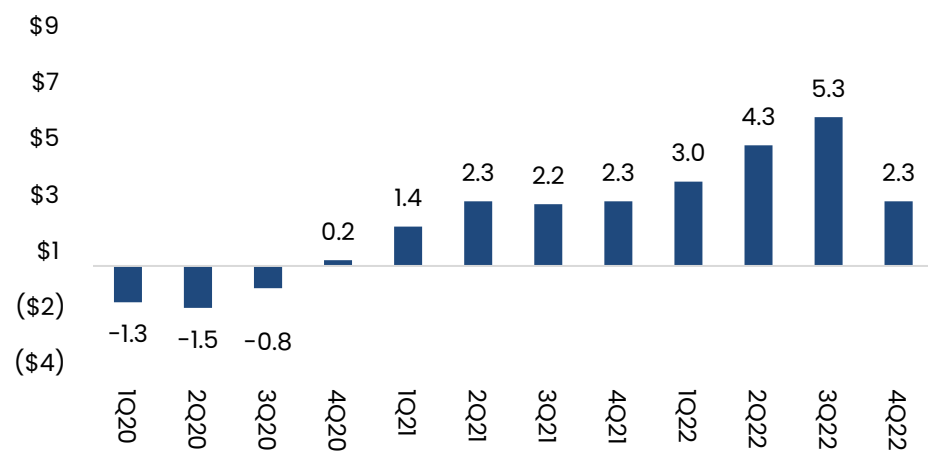
Adjusted EBITDA¹

\$ in millions

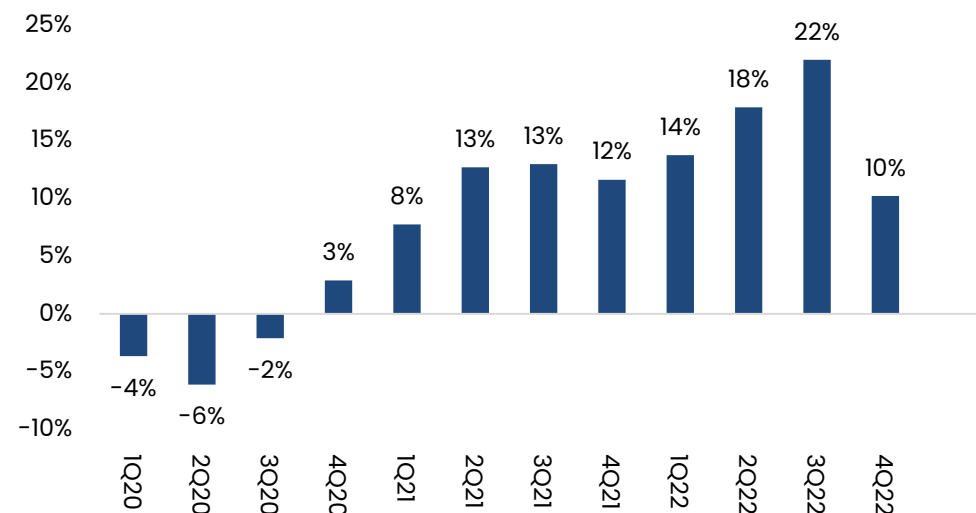


Adjusted Pre-Tax NI²

\$ in millions



Return on Capital Employed³



Source: Company filings

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

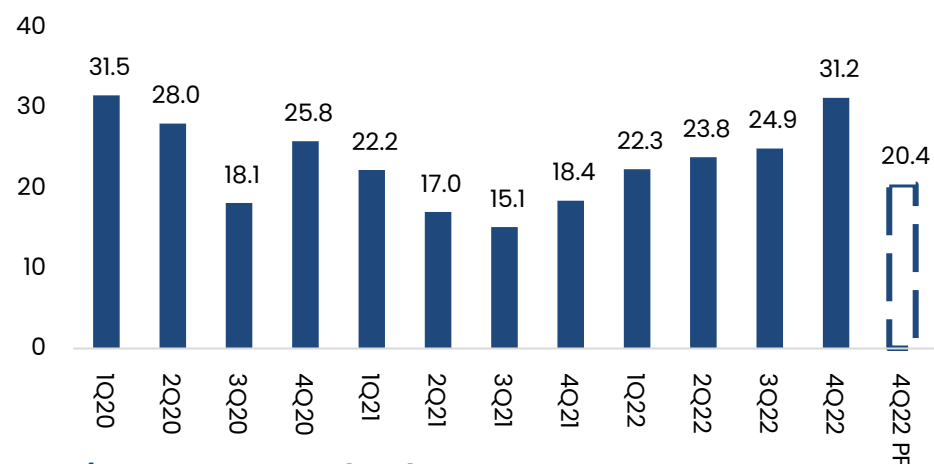
² Pre-tax net income adjusted to exclude unrealized gain on derivatives, non-cash impairments, cash receipts from/payments on off-market derivatives and gains(losses) on asset sales

³ Annualized EBIT excluding non-cash gain/loss on derivatives, non-cash impairments, non-cash G&A, cash receipts from/payments on off-market derivatives and gain(losses) on asset sales divided by average debt and equity during the quarter

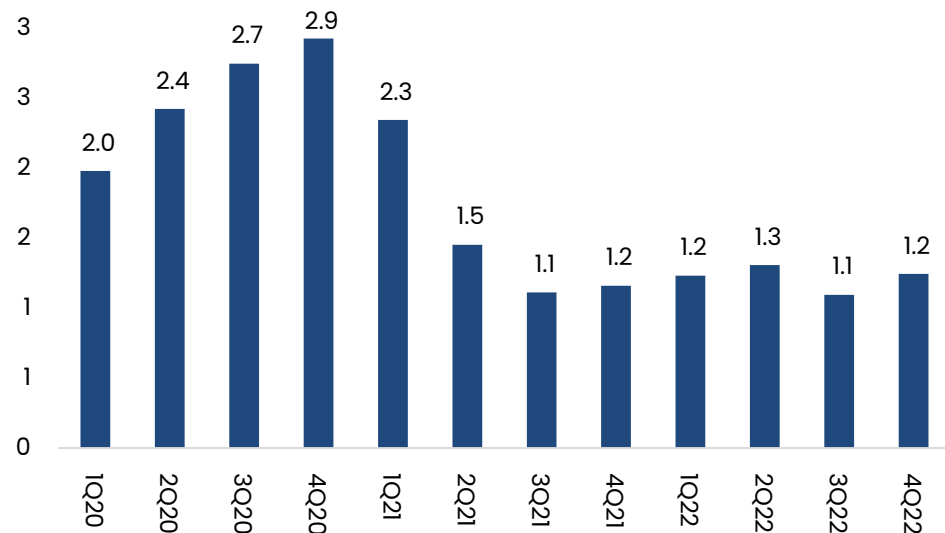
Stable Balance Sheet & Ample Liquidity

Net Debt^{1,4}

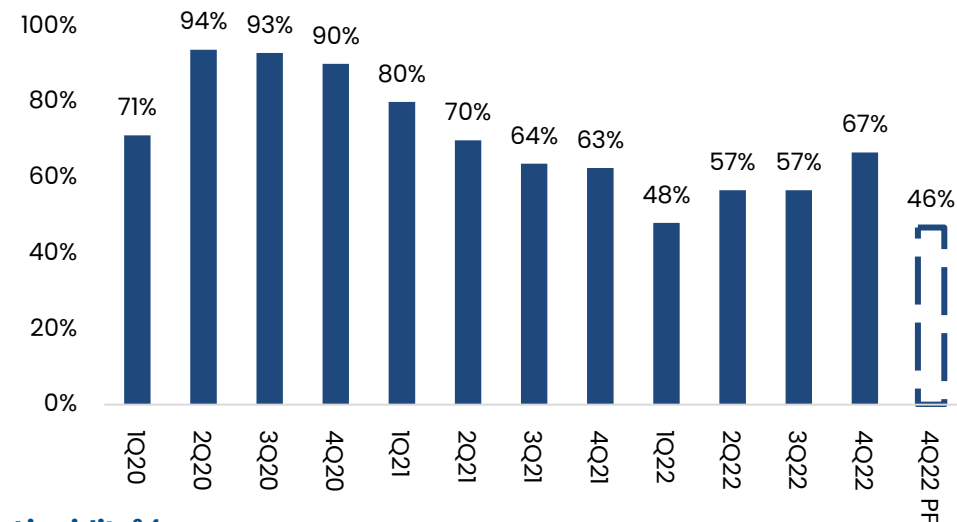
\$ in millions



Debt / Adjusted EBITDA² (TTM)

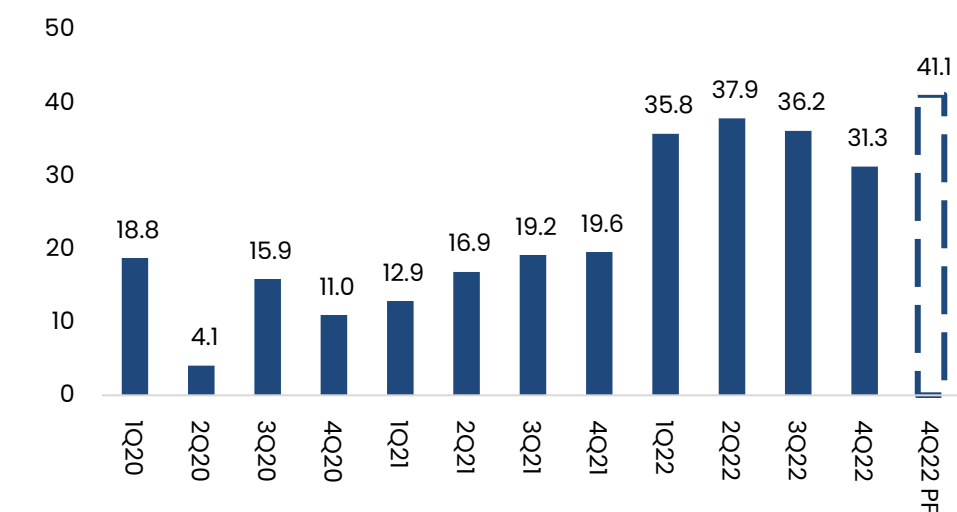


Percentage Drawn on Credit Facility Advanced Rate⁴



Liquidity^{3,4}

\$ in millions



Source: Company filings

1 Total debt less cash

2 Total Debt / Adjusted EBITDA (as defined on page 5)

3 Calculated as working capital (current assets less current liabilities excluding current derivatives) plus availability on the borrowing base

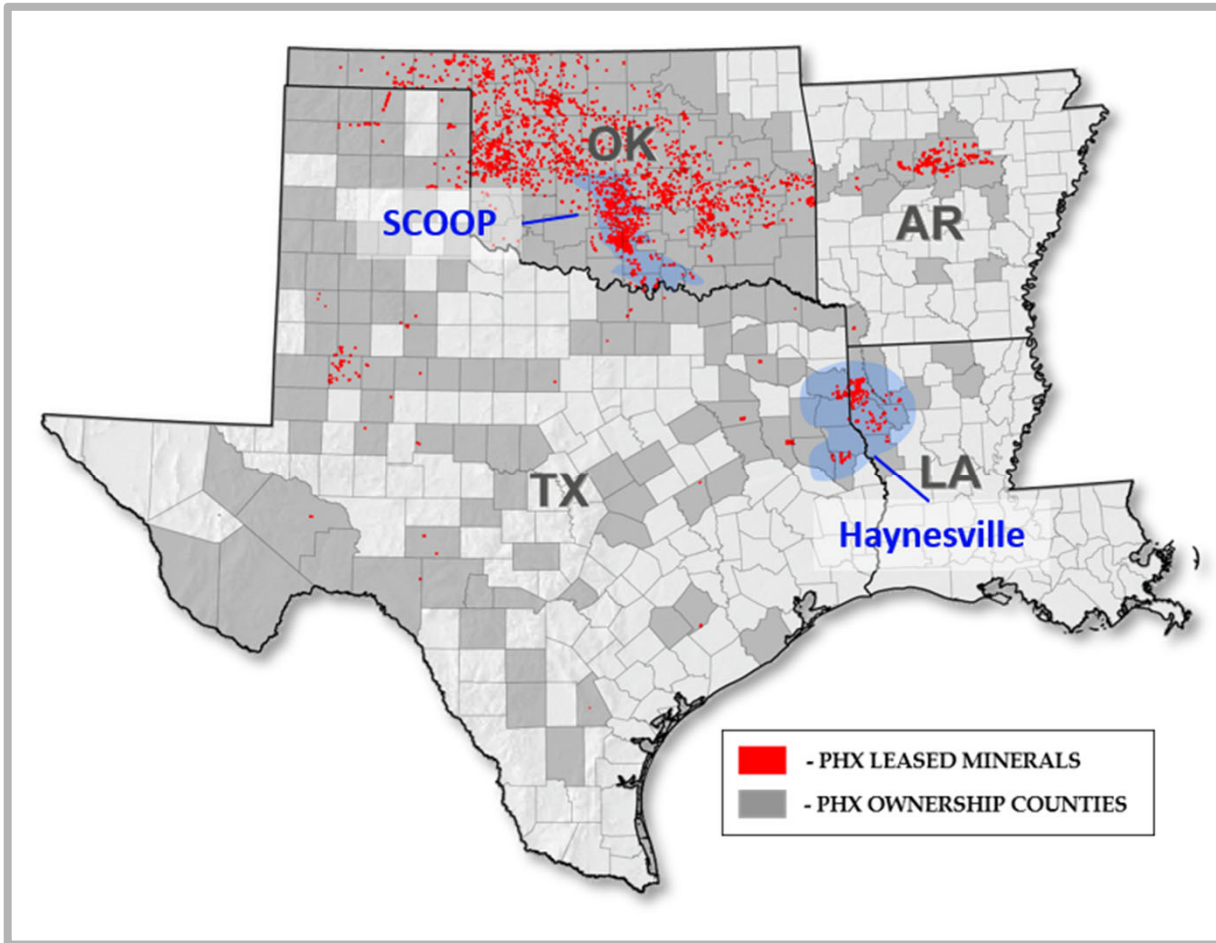
4 Pro-forma divestitures of Eagleford and Arkoma working interest assets

PHX Operational Outlook

	Cal. Year 2022 Actual	Cal. Year 2023 Outlook
Mineral & Royalty Production (Mmcfe)	6,613	7,400 – 8,600
Working Interest Production (Mmcfe) ¹	3,084	1,200 – 1,400
Total Production (Mmcfe)	9,697	8,600 – 10,000
Percentage Natural Gas	78%	80% – 85%
Transportation, Gathering & Marketing (per mcfe)	\$0.63	\$0.53 – \$0.58
Production Tax (as % of pre-hedge sales volumes)	4.50%	4.75% – 5.25%
LOE Expenses (on an absolute basis in 000's)	\$3,807	\$1,200 – \$1,400
Cash G&A (per mcfe)	\$1.01	\$1.00 – \$1.07

Focused in SCOOP and Haynesville

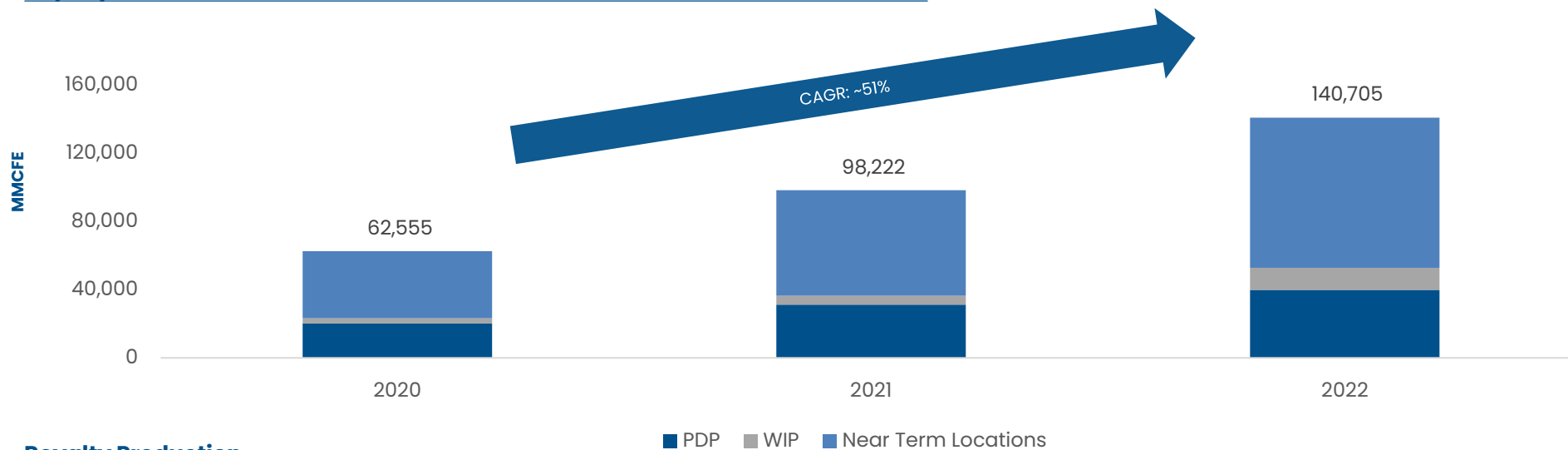
Top Operators of PHX Minerals¹



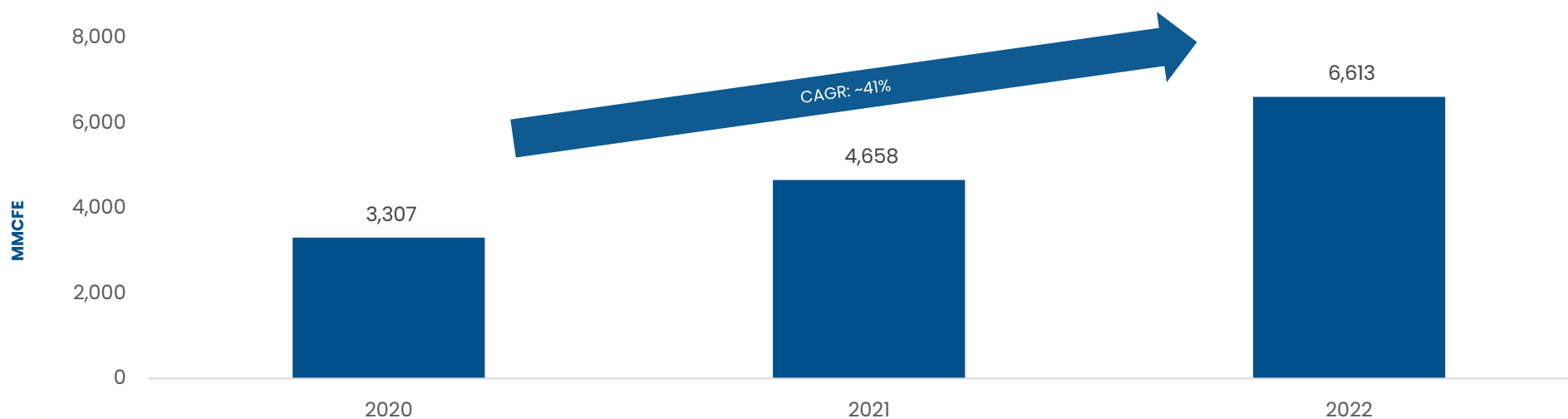
Royalty Reserve Growth

Strategy underpinned by royalty reserves and production growth

Royalty Reserves



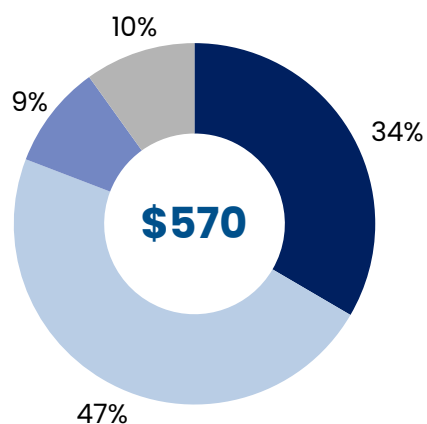
Royalty Production



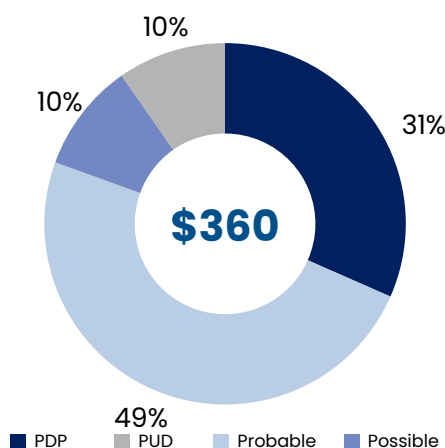
Reserves Value Summary

Reserve Category	PV-10 Value (\$mm)		
	SEC ¹	Strip ²	\$100 / \$7.00 ³
PDP	\$190.5	\$113.7	\$203.3
Wells in Progress ⁴	\$56.4	\$34.9	\$59.6
Total Proved Reserves	\$246.9	\$148.7	\$262.9
Near Term Locations ^{4,5}	\$270.2	\$176.2	\$285.7
Other Locations ⁵	\$52.9	\$35.2	\$55.9
Total 3P Reserves	\$570.0	\$360.0	\$604.5
Proved PV-10 Per Share⁶	\$5.99	\$3.24	\$6.44
2P PV-10 Per Share⁶	\$13.57	\$8.18	\$14.45
3P PV-10 Per Share⁶	\$15.05	\$9.17	\$16.02

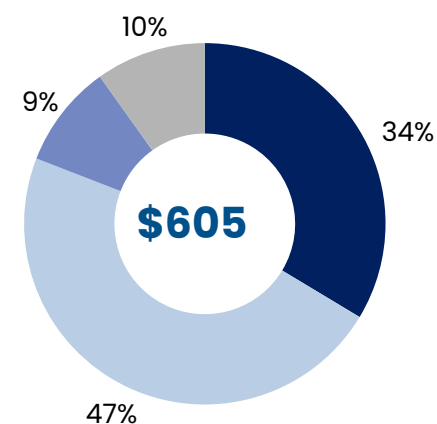
SEC Pricing¹



Strip Pricing²



\$100/\$7.00 Flat Pricing³



1 3P Reserves per 9/30/2022 CGA YE22 report proforma acquisitions, divestitures, and activity as of 12/31/2022 at 12/31/2022 SEC price deck of \$92.70 per bbl of oil, \$39.09 per bbl of NGL, \$6.52 per mcf of gas (proved volume weighted average price)

2 3P Reserves per 9/30/2022 CGA YE22 report proforma acquisitions, divestitures, and activity as of 12/31/2022 at 1/23/2023 STRIP price of WTI/HH 2023: \$81.26/\$3.57, 2024: \$76.33/\$4.02, 2025: \$71.27/\$4.23, 2026: \$67.2/\$4.3, 2027: \$63.77/\$4.37, 2028: \$60.95/\$4.44, 2029: \$58.54/\$4.5, 2030: \$56.55/\$4.67, 2031: \$55.05/\$4.85, 2032: \$53.81/\$5.03, 2033: \$52.55/\$5.19, 2034: \$51.96/\$5.33, 2035+: \$51.96/\$5.41.

3 3P Reserves per 9/30/22 CGA YE22 report proforma acquisitions, divestitures, and activity as of 12/31/2022 at flat price deck of \$100.00 WTI / \$7.00 HH

4 Wells in Progress are PUDs, Near Term Locations are Probables and Other Locations are Possibles in the PHX reserve report. PUDs are Permits, WIPs or DUCs. Probables share all technical merits of PUDs but development timing is uncertain. PHX Probables may be PUDs in their respective operator's reserve report.

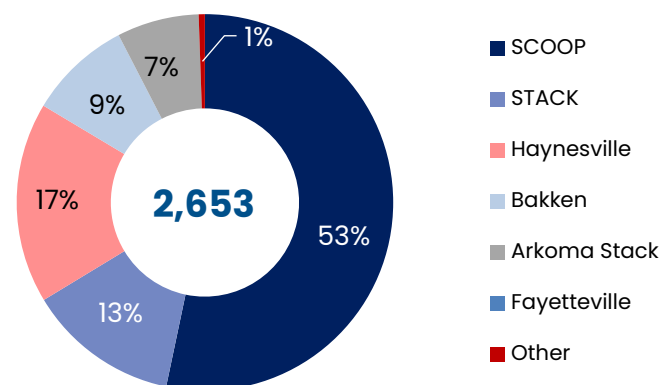
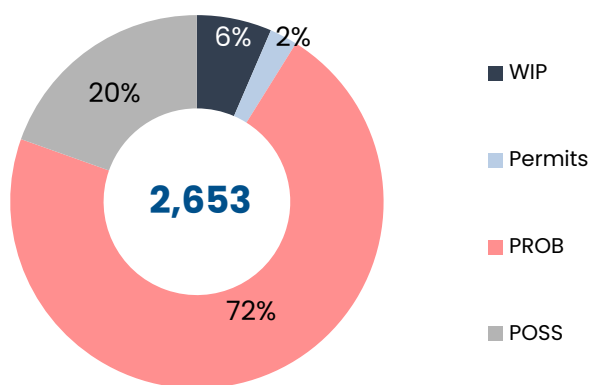
5 Scheduled out approximately 10 years for Near Term Locations and 15 years for Other Locations

6 PV-10 less net debt of \$33.0 MM as of 12/31/2022 divided by total shares outstanding as of 12/31/2022

Royalty Interest Inventory by Basin

Sub-region	Gross PDP Wells	Net PDP Wells ¹	Undeveloped Locations							
			Gross Wells In Progress ¹	Net Wells in Progress ²	Gross Permits ¹	Net Permits ²	Gross PROB ³	Net PROB ⁵	Gross POSS ³	Net POSS ⁵
SCOOP	1,010	4.27	61	0.12	22	0.05	1030	2.79	364	1.26
Haynesville	367	2.04	90	0.61	30	0.10	397	1.45	4	0.00
STACK	359	1.68	32	0.07	11	0.04	251	1.49	60	0.58
Bakken	620	1.77	7	0.01	3	0.00	201	1.07	9	0.15
Arkoma Stack	443	3.34	5	0.00	4	0.00	99	1.75	83	0.92
Fayetteville	1,058	6.36	0	0.00	0	0.00	0	0	0	0
Other ⁴	2,000	17.13	8	0.02	6	0.02	0	0	0	0
Total	5,857	36.59	203	0.83	76	0.22	1,978	8.55	520	2.90

Gross Undeveloped Locations



Note:

1 As of 12/31/2022

2 Net interest on Wells in Progress and Permits are internal estimates and subject to confirmation from operator

3 PROB in POSS Inventory based on CGA prepared reserve report as of fiscal YE2022 proforma acquisitions, divestitures, and activity as of 12/31/2022

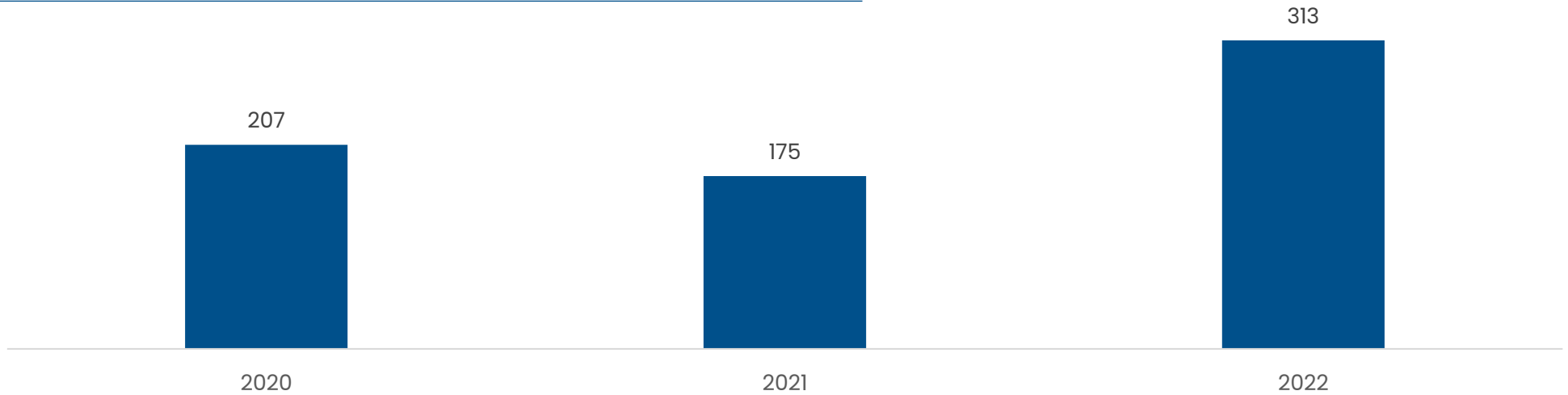
4 Other undeveloped inventory is largely comprised of Western Anadarko Assets & Permian Basin

5 Well counts assume 10,000 ft. laterals

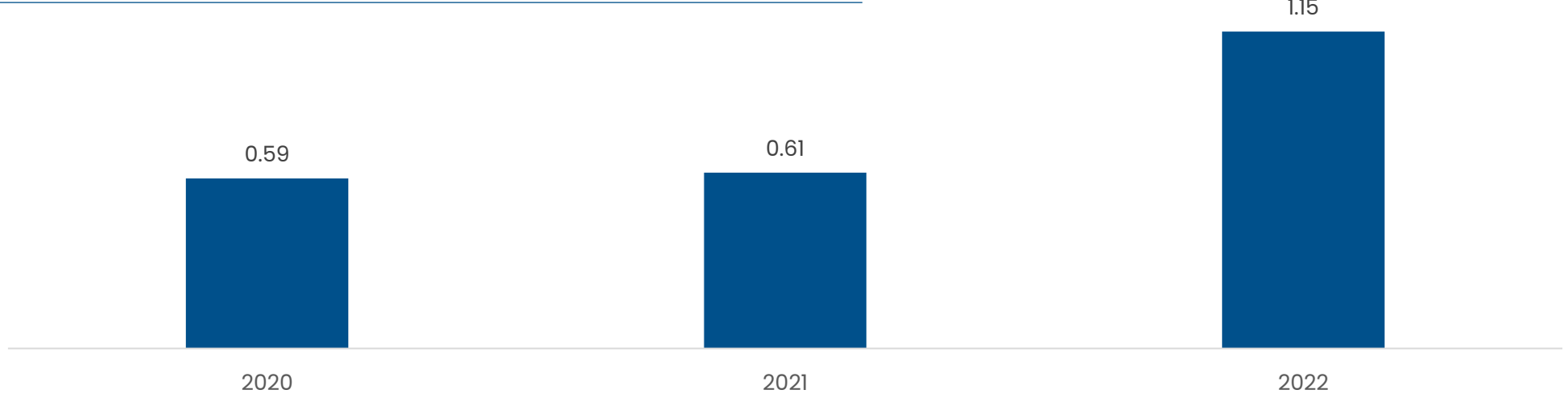
Yearly Conversions To Producing Wells

Strong drilling activity on our mineral assets post Covid has driven increase in royalty production volumes

Gross Conversions



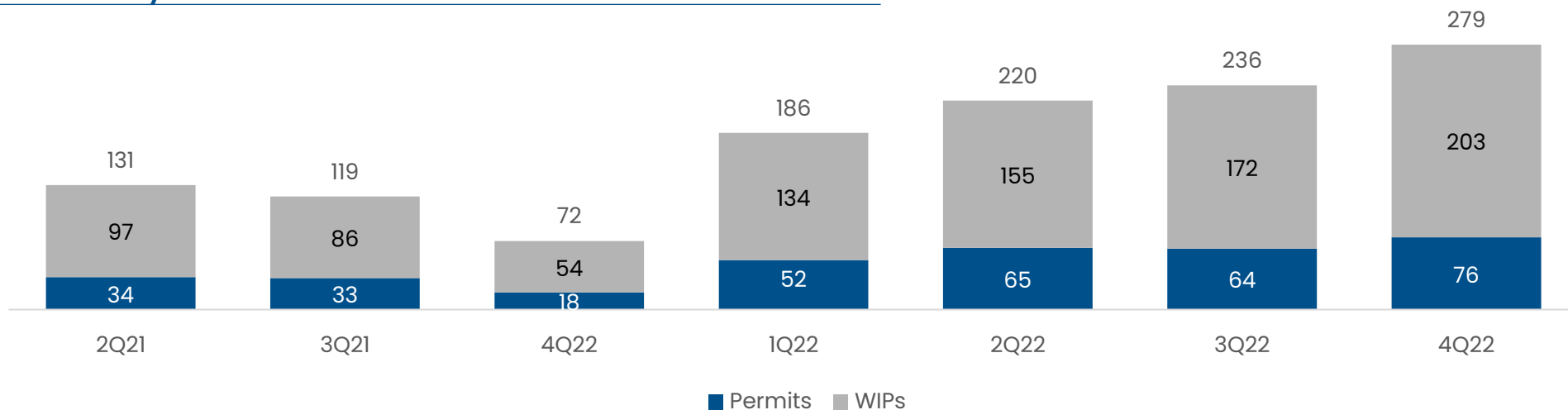
Net Conversions



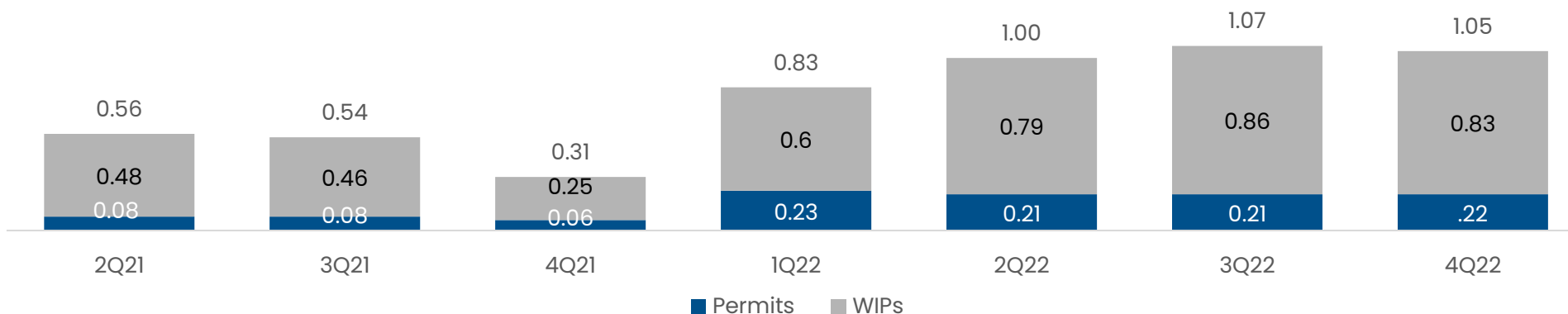
Quarterly Near Term Drilling Inventory

Continuous replacement of wells in progress inventory will drive future royalty volume growth

Gross Inventory

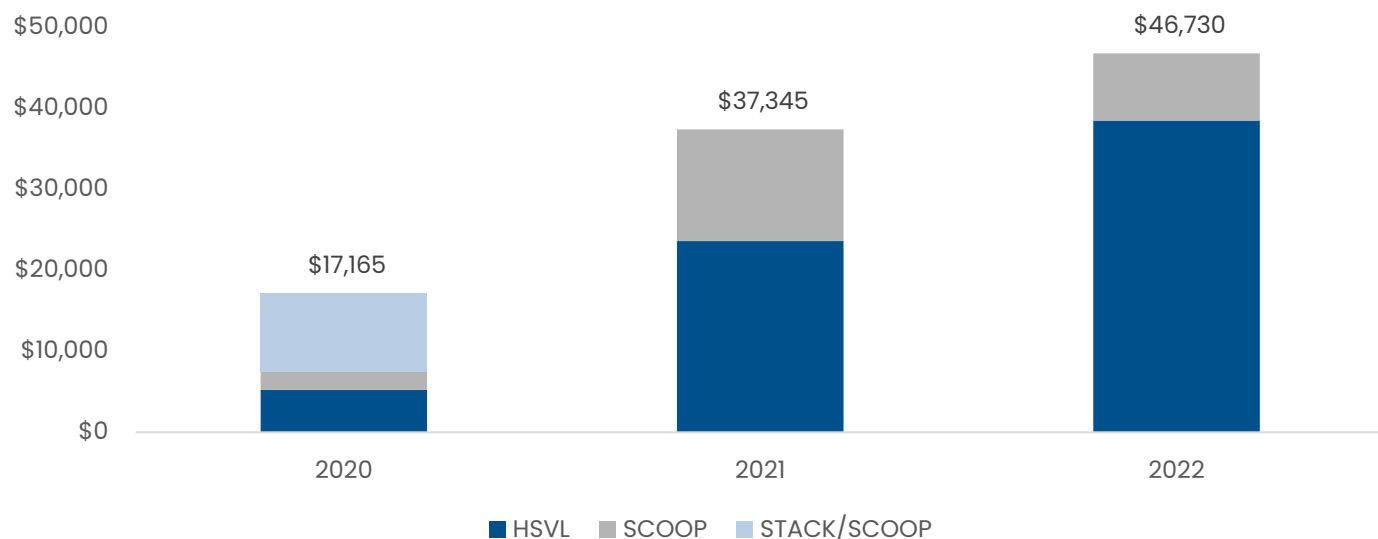


Net Inventory



Acquisition Summary

Acquisitions by Basin by Year



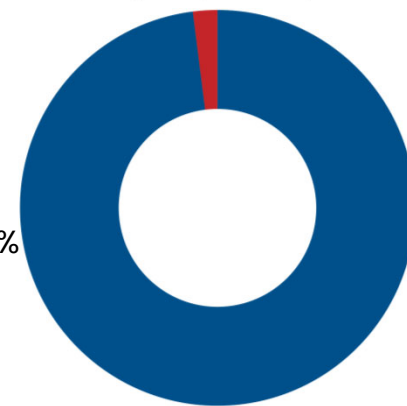
- Focused on highest quality rock in the SCOOP and Haynesville plays
- Targeting a mix of production, near term development opportunities via wells in progress and additional upside potential under high quality operators
- \$24.3M in acquisitions in SCOOP and \$67.2M in Haynesville since Q1 of 2020

Positioned For Growth Through Acquisitions

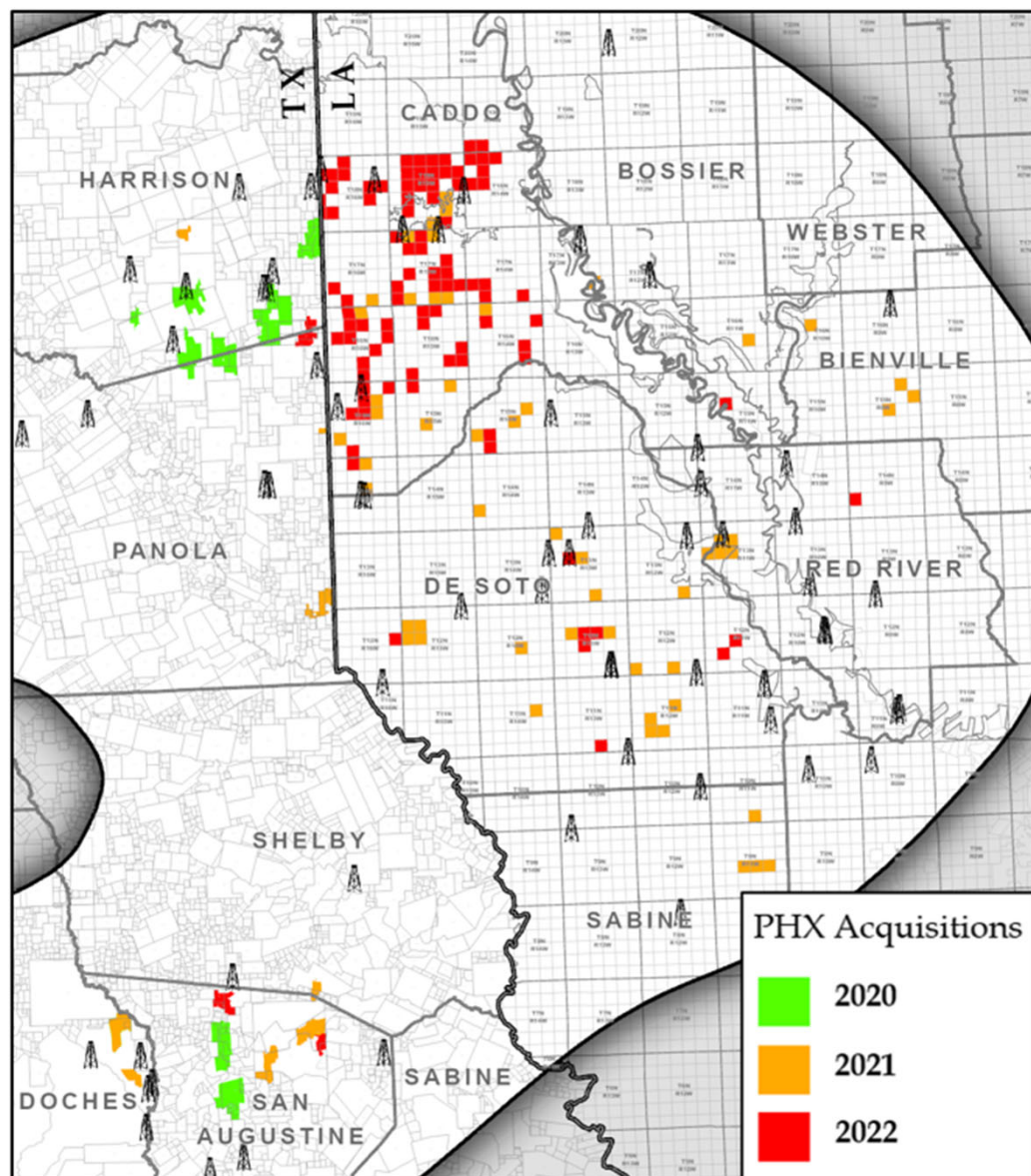
- Total domestic US mineral market estimated at ~\$0.5 – 1 trillion¹
 - Highly fragmented
 - Predominantly owned by private individuals
 - PHX well positioned to be one of the premier consolidators in our core areas
 - Focus on smaller deals increases opportunity set and potential returns

Total Public Company Enterprise Value⁽²⁾: 3%

Market Opportunity Midpoint ⁽¹⁾: 97%



Acquisition History – Haynesville



Haynesville Acquisitions – Since 2020

DATE	PRICE, \$M	NRA	NET PROD (MCFE/d) ¹	GROSS UNDEV/WIPs ¹
2020	5,237	712	989	45 / 41
2021	23,571	2,759	301	271 / 35
2022	38,439	3,126	1,381	314 / 127
Total	67,247	6,597	2,671	630 / 203

PHX did not own any minerals in the Haynesville prior to current management team identifying this play as an area of interest

North Haynesville Update

- Operators are drilling 3-5 wells per unit, and a positive indication of near term volumes and cashflows
- Since 2019, core development areas have been extended as new completion designs have lowered breakevens
- Key Operators: Blue Dome, Trinity, Rockcliff, Aethon, Comstock, Paloma and Chesapeake
- PHX North Haynesville Ownership¹: 4,796 NRA
- Gross Wells In Progress²: 69
- Gross Active Permits³: 23
- Gross Active Rigs⁴: 26

PHX New High NRI Units

TRINITY OPERATING | SL HEROLD 23-14H 003-ALT

1st Prod 3/2022 (8mo)
AVG IP24 30.6 MMCF/d
AVG LL 9,859'

PHX NRI⁵ 0.41%
AVG CUM 3.275 BCF
AVG CUM/FT 332 MMCF/FT

TRINITY OPERATING | BLOUNT 23-26-35 UNIT | 3 WELLS

1st Prod 11/2021 (12mo)
AVG IP 21,429 MMCF/d
AVG LL 10,061'

PHX NRI 0.35%
AVG CUM 4.45 BCF
AVG CUM/FT 386 MMCF/FT

BLUE DOME | PINEHILLS DSU | 4 WELLS

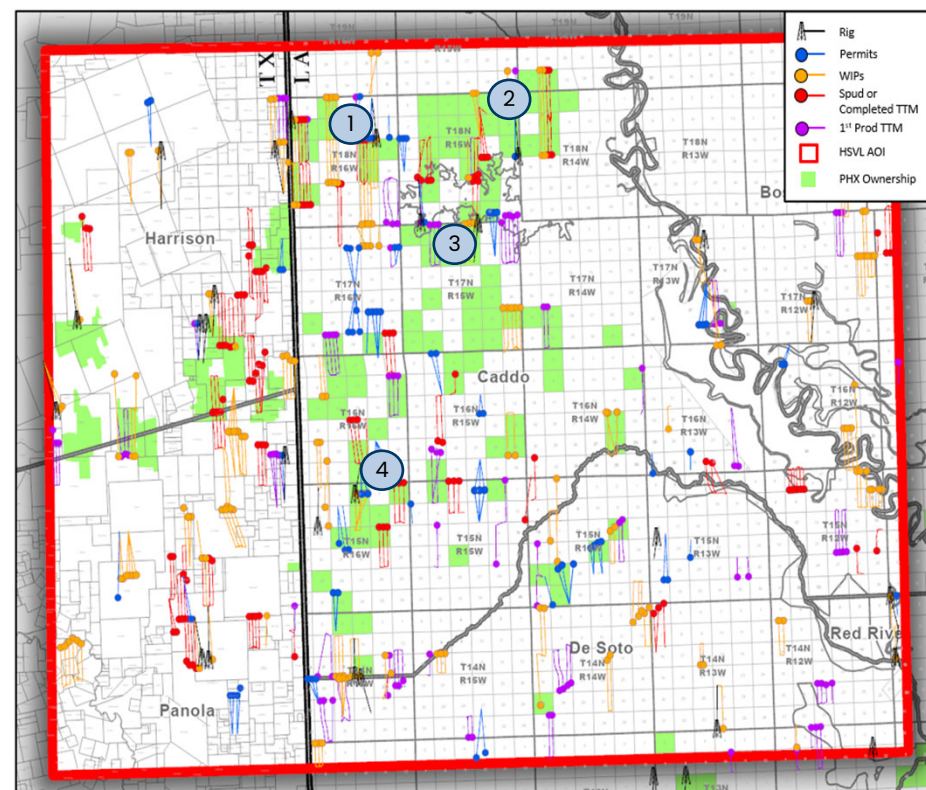
1st Prod 12/20212 (11mo)
AVG IP24 21.5 MMCF/d
AVG LL 9,902'

PHX NRI 4.61%
AVG CUM 3.82 BCF
AVG CUM/FT 386 MMCF/FT

PALOMA | BAREMORE EST 11H 001 & 002-ALT | 2 WELLS

1st Prod 6/2021 (17mo)
AVG IP24 26.5 MMCF/d
AVG LL 4,577'

PHX NRI 3.40%
AVG CUM 4.67 BCF
AVG CUM/FT 1,020 MMCF/FT



Source: Company info and Enverus

1 As of 12/31/2022

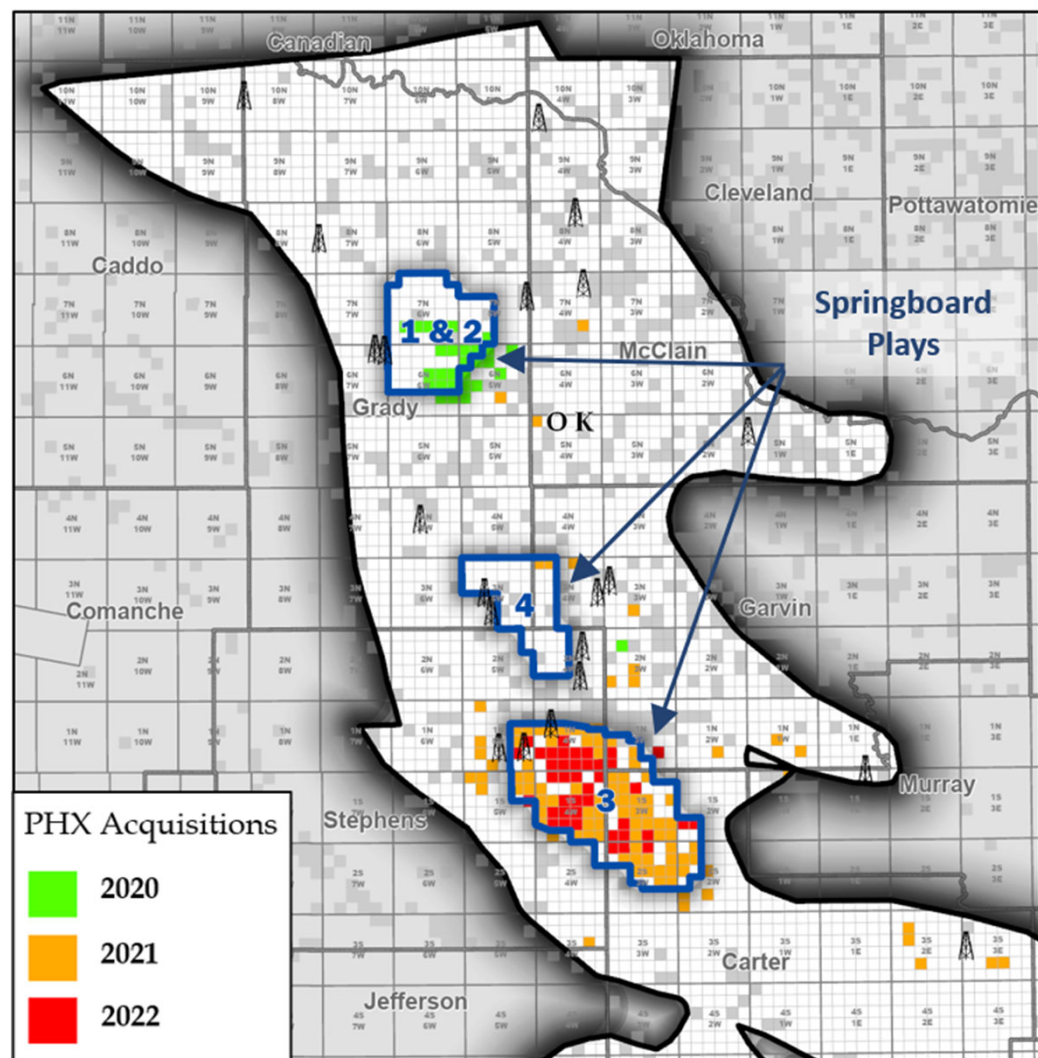
2 WIPs includes wells that are Drilling and DUCs

3 Active natural gas and oil horizontal permits filed

4 Data from Enverus as of 01/17/2023

5 NRIs are internal estimates and subject to confirmation from operator

Acquisition History – SCOOP



SCOOP Acquisitions – Since 2020

DATE	PRICE, \$M	NRA	NET PROD (MCFE/d) ¹	GROSS UNDEV/WIPs ¹
2020	2,277	297	110	97 / 21
2021	13,774	2,927	499	768 / 20
2022	8,292	815	71	729 / 20
Total	24,343	4,039	680	1,594 / 61

Predominately all acreage currently owned in Springboard III area of interest was acquired under current management team's guidance

Springboard III Update

- Highest resource in-place per DSU in the midcontinent, co-developing the Mississippian Sycamore & the Woodford Shale
- Key operators shifting into development mode and drilling multiple wells per DSU
- PHX Springboard III Ownership¹: 3,265 NRA
- Gross Wells In Progress²: 27
- Gross Active Permits³: 8
- Gross Active Rigs⁴: 2

Recent Well Results

1 CAMINO | BILLY THE KID 0103 29-20-1MXH | SYCAMORE

1st Prod 11/2022 (13mo)
LL 10,154'
NRM PROP 2,267 #/FT

PHX NRI 0.06%
CUM 744 MBOE6
CUM/FT 73.3 MBOE6/FT

2 CAMINO | SUNDANCE KID 0104 26-35MXH | SYCAMORE

1st Prod 11/2021 (16mo)
LL 10,097'
NRM PROP 2,761 #/FT

PHX NRI 0.29%
CUM 585 MBOE6
CUM/FT 57.9 MBOE6/FT

3 CONTINENTAL | EMPIRE 1-17-20XHW | WOODFORD

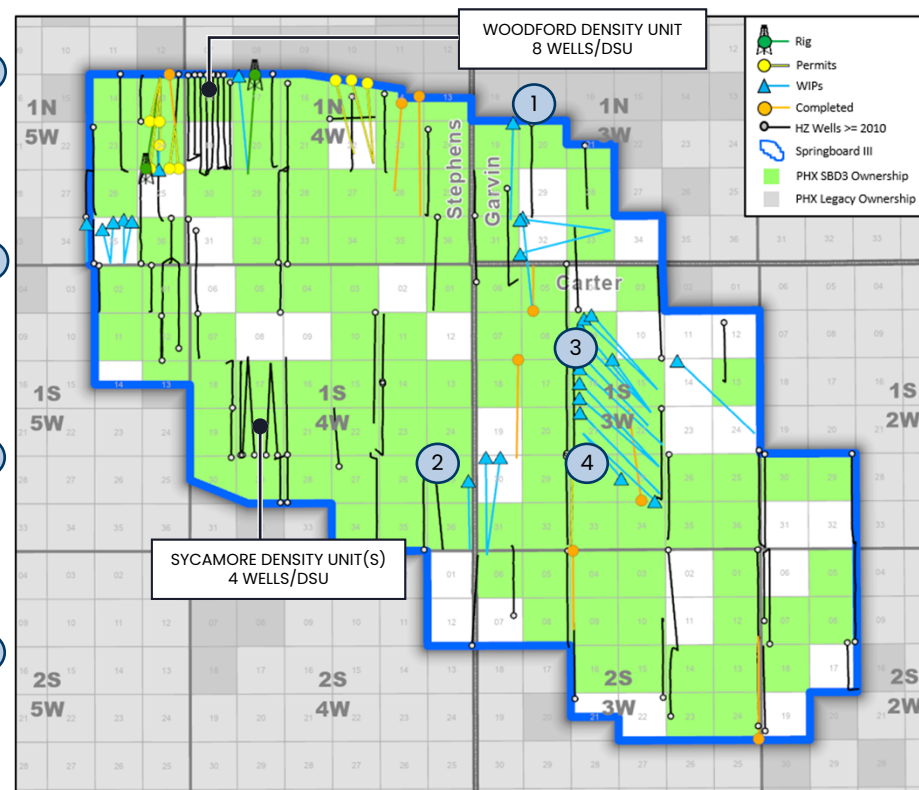
1st Prod 11/2021 (12mo)
LL 9,477'
NRM PROP 2'507 #/FT

PHX NRI 1.18%
CUM 349 MBOE6
CUM/FT 36.9 MBOE6/FT

4 CONTINENTAL | BOWERY 1-16-21 MH | SYCAMORE

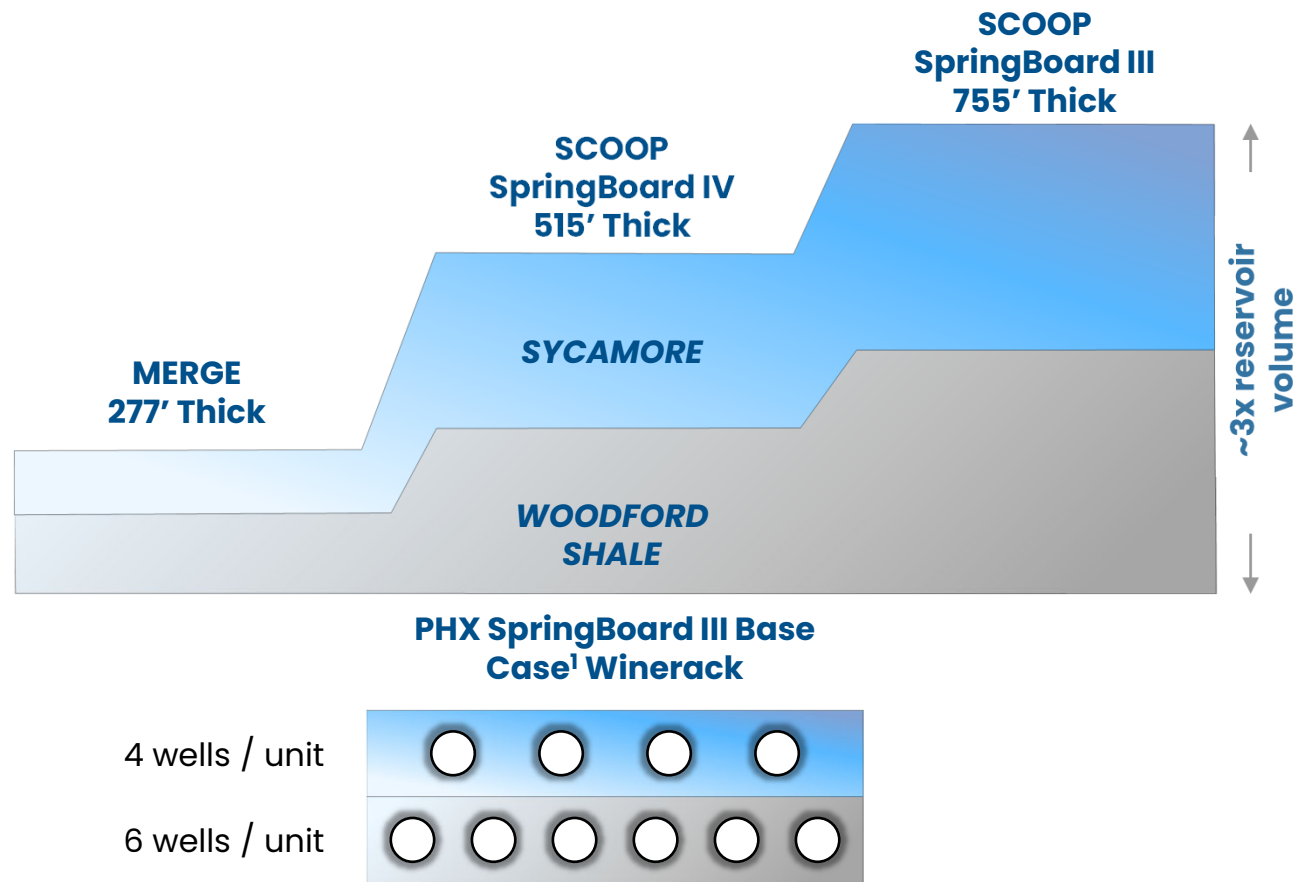
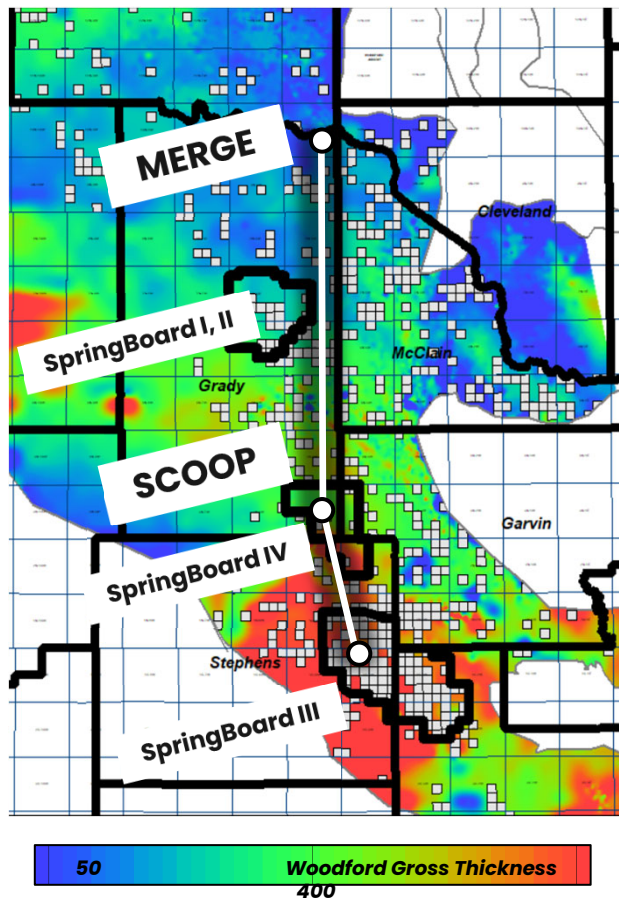
1st Prod 11/2021 (12mo)
LL 10,217'
NRM PROP 2,511 #/FT

PHX NRI 0.42%
CUM 710 MBOE6
CUM/FT 69.5 MBOE6/FT



SCOOP Springboard Plays

- Springboard III, just like Springboard IV (Core SCOOP), has >3X the hydrocarbons in-place compared to the MERGE
- Sycamore & Woodford produces super-rich gas (~1,350 BTU) with minimal produced water



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	Senior Vice President, CFO	4	<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	V.P. of Accounting	3	<ul style="list-style-type: none"> • 13 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	2	<ul style="list-style-type: none"> • >10 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
Carl Vandervoort	V.P. of Geology	2	<ul style="list-style-type: none"> • >14 years experience, recently managed a buy-side consulting company for private equity groups and portfolio companies • Exploration Manager for Zenergy, Inc., an Apollo Management portfolio company • B.S. in Chemistry from University of Texas; M.S. in Geophysics at University of Oklahoma
Kenna Clapp	V.P. of Land	2	<ul style="list-style-type: none"> • >10 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

Board of Directors	Title	Years with Company	Experience
Mark T. Behrman	Chairman	5	<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	1	<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	7	<ul style="list-style-type: none"> • Founder and portfolio manager of Braeburn Capital Partners, LLC • Board member for EQT Corporation and Aethon Energy, LLC • Bachelor’s in Geological Sciences from USC, Master’s in Geophysics from UT-Austin, and MBA in Finance from Wharton
Peter B. Delaney	Director	4	<ul style="list-style-type: none"> • Principal with Tequesta Capital Partners since 2016 • Chairman and CEO of OGE Energy Corporation from 2007 through 2015
Steven L. Packerbush	Director	1	<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	1	<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

Analyst Coverage

Firm	Analyst	Contact
Stifel Nicolaus	Derrick Whitfield	whitfielddd@stifel.com
Northland Securities	Donovan Schafer	dschafer@northlandcapitalmarkets.com
Seaport Global Securities	Nicholas Pope	npope@seaportrp.com

Appendix

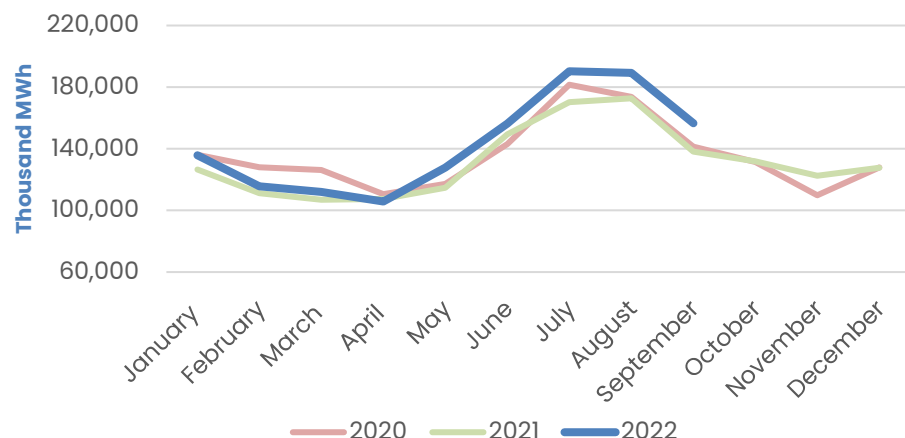
Current Hedging Analysis

<u>Gas Swaps</u>			<u>Gas Collars</u>			<u>Total Gas Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
1Q'23	560,000	\$ 3.25	390,000	\$ 5.25	\$ 10.53	950,000
2Q'23	420,000	\$ 3.43	360,000	\$ 3.42	\$ 6.62	780,000
3Q'23	420,000	\$ 3.43	285,000	\$ 3.39	\$ 6.52	705,000
4Q'23	380,000	\$ 3.41	135,000	\$ 3.28	\$ 5.98	515,000
2023	1,780,00	\$ 3.37	1,170,000	\$ 4.01	\$ 7.82	2,950,000
1Q'24	-	-	390,000	\$ 4.50	\$ 7.90	390,000
2Q'24	-	-	275,000	\$ 3.50	\$ 4.70	275,000
2024	-	-	665,000	\$ 4.09	\$ 6.58	665,000
<u>Oil Swaps</u>			<u>Oil Collars</u>			<u>Total Oil Protection</u>
	Volume	Price	Volume	Floor	Ceiling	Volume
1Q'23	14,250	\$ 71.38	7,500	\$ 75.00	\$ 96.00	21,750
2Q'23	14,250	\$ 74.91	7,500	\$ 75.00	\$ 96.00	21,750
3Q'23	14,250	\$ 74.91	-	\$ -	\$ -	14,250
4Q'23	14,250	\$ 74.91	-	\$ -	\$ -	14,250
2023	57,000	\$ 74.02	15,000	\$ 75.00	\$ 96.00	72,000
1Q'24	-	-	5,300	\$ 63.00	\$ 76.00	5,300
2Q'24	-	-	5,100	\$ 63.00	\$ 76.00	5,100
2024	-	-	10,400	\$ 63.00	\$ 76.00	10,400

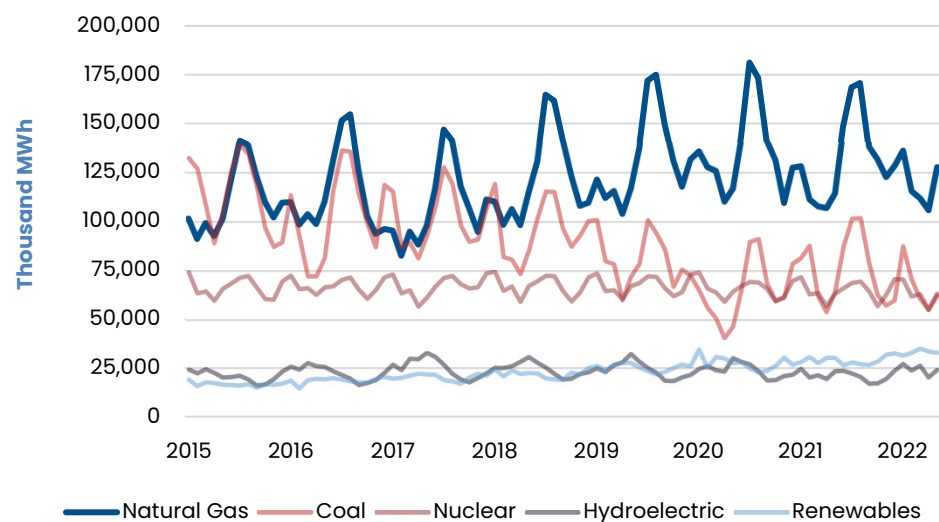
Mix of collars and swaps designed to provide upside exposure while protecting downside risk

Natural Gas – Demand

Natural Gas Electrical Generation¹

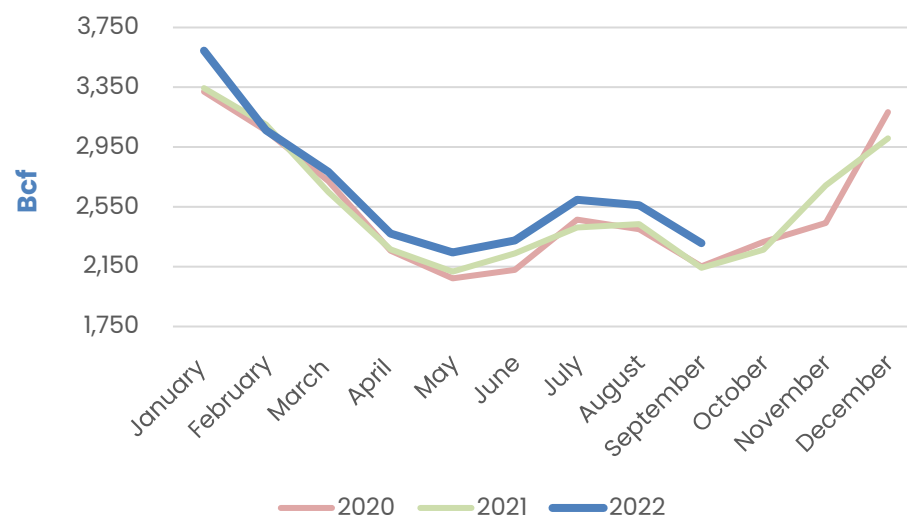


Monthly Electrical Generation by Fuel Type¹



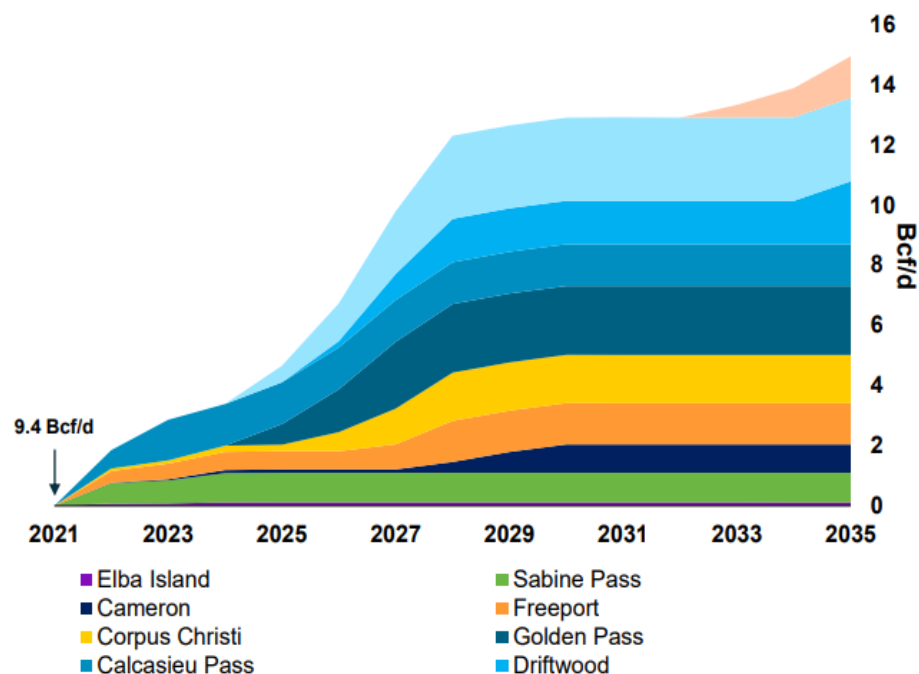
- U.S. natural gas demand is expected to increase by over 10 Bcf/d by 2025
- U.S. LNG exports expected to reach 12.1 Bcf/d in 2023
- 2023 expected U.S. production to average 100 Bcf/d
- Industrial demand has been strong, up ~1.5 bcf/d year over year
- Long-term natural gas price support from continued capital discipline in the sector, increased demand from power generation and industrial demand

Natural Gas Consumption¹

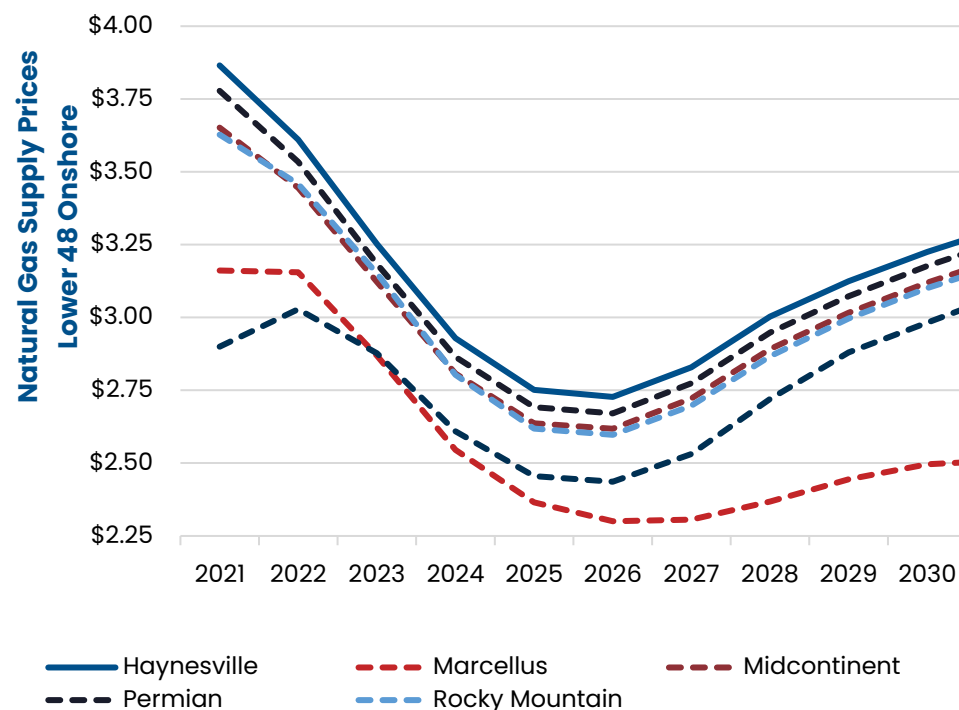


Natural Gas – LNG

Forecasted U.S. Export Annual Volume Growth¹



Premium Natural Gas Pricing²



Surging LNG Demand

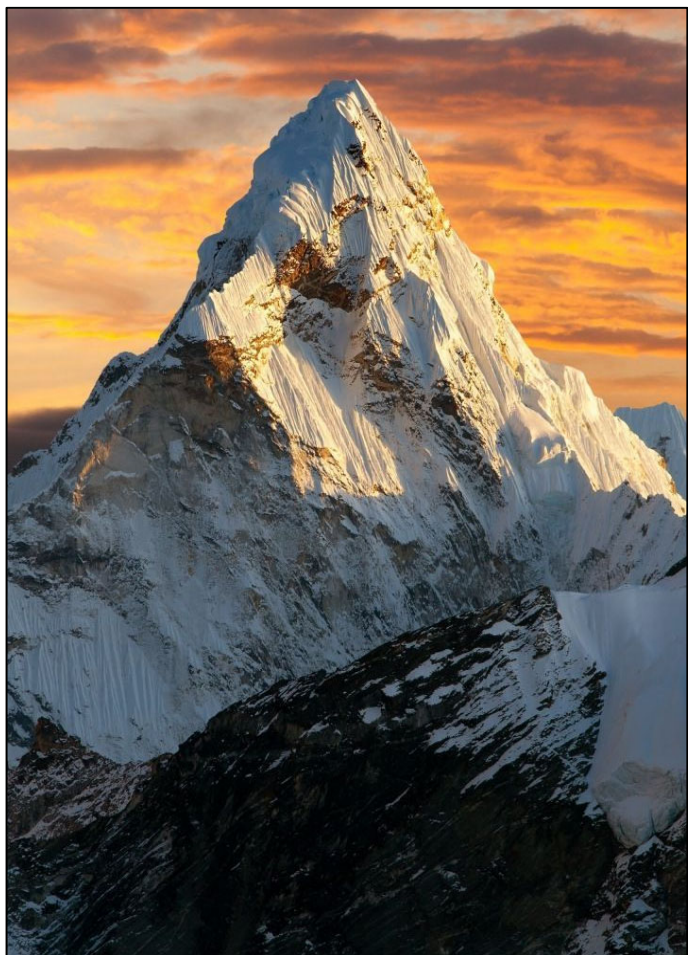
- Current LNG export capacity is fully utilized
- Additional capacity of 4.4 Bcf/d is currently under construction and is expected to come online by 2025
- LNG provides producers the opportunity to supply gas to premium markets across the globe
- Due to strong power generation demand Natural Gas has made a significant recovery from the 6/30 low despite losing ~2 bcf/d of feed gas demand in the Freeport LNG outage

Portfolio Overview by Basin

	Scoop	Haynesville	Bakken	Stack	Arkoma	Fayetteville	Total
Production Mix <div><div></div> Oil <div></div> NGL <div></div> Gas</div>							
Net Production (MMcfe/d)¹	2.85	7.62	1.32	3.92	3.09	1.33	20.13
Net Royalty Acres	10,263	6,725	4,297	7,132	13,076	11,076	52,569
Permits on File	22	30	3	11	4	–	70
Rigs Running on PHX Acreage²	7	8	3	3	1	–	22
Rigs Running Within 2.5 miles of PHX Acreage²	20	31	12	19	1	–	83
Top Operators	<div>3</div> <div></div>	<div>3</div> <div></div>	<div>3</div> <div></div>	<div>3</div> <div></div>	<div>3</div> <div></div>	<div>4</div> <div></div>	<div></div>

Mineral Interests – Primer

Mineral and royalty interests are generally considered by law to be real property interests and are thus afforded additional protections under bankruptcy law



Mineral Interest owner entitled to ~15–25% of production revenue based on royalty rate

Senior Secured Debt

Senior Debt

Subordinated Debt

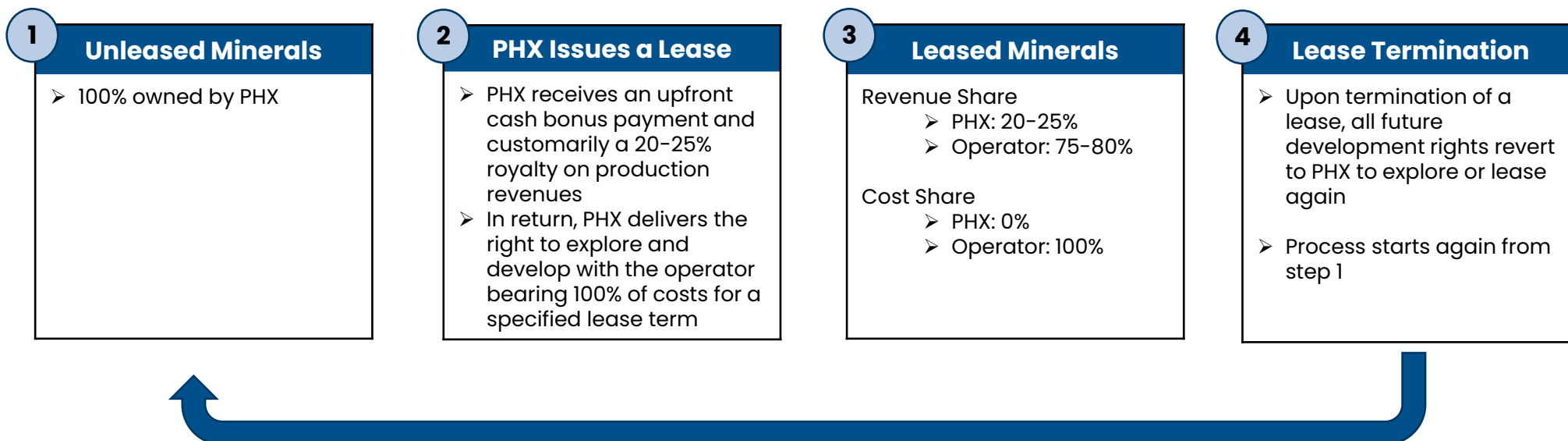
Equity

Working Interest owner entitled to ~75–85% of production revenue based on royalty rate and bears 100% of development cost and lease operating expense

Mineral Interests – Primer

Minerals	ORRIs
<ul style="list-style-type: none">➤ Perpetual real-property interests that grant hydrocarbon ownership under a tract of land➤ Surface and mineral ownership have been negotiated in most cases over the decades➤ Surface owners cannot legally prevent the development of minerals under most circumstances➤ Represent the right to drill, and produce hydrocarbon or lease that right to third parties for an upfront payment and a negotiated percentage of production revenues	<ul style="list-style-type: none">➤ Overriding royalty interests➤ Royalty interests that burden the working interests of a lease➤ Right to receive a fixed, cost-free percentage of production revenue (term limited to life of leasehold estate)

Illustrative Mineral Revenue Generation



Reconciliation of Non-GAAP Financial Measures

(\$ in millions)	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2019	Year Ended Dec. 31, 2020	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2022
Net Income	\$13.6	(\$51.6)	(\$26.4)	\$1.1	\$17.1
(+) Unrealized Gain on Derivatives	(3.1)	2.0	2.3	(1.1)	0.6
(+) Income Tax Expense	3.5	(16.8)	(8.6)	0.2	4.4
(+) Interest Expense	1.9	1.8	1.2	0.9	1.6
(+) DD&A	16.9	17.3	10.6	7.1	7.5
(+) Impairment	0.0	76.8	29.9	0.1	6.1
(+) Cash Receipts from/Payments on Off-Market Derivatives	0.0	0.0	0.0	6.1	(5.7)
(+) Restricted Stock and Deferred Director's Exp	0.9	1.0	0.9	1.2	2.6
(-) Gains (Losses) on Asset Sales	8.7	12.9	0.7	(1.8)	7.5
Adjusted EBITDA	\$25.0	\$17.6	\$9.2	\$17.4	\$26.7
(-) Interest Expense	1.9	1.8	1.2	0.9	1.6
Discretionary Cash Flow	\$23.1	\$15.8	\$8.0	\$16.5	\$25.1

	3 Months Ended				
(\$ in millions)	Dec. 31, 2021	Mar. 31, 2021	June.30, 2022	Sept.30, 2022	Dec.31, 2022
Net Income	\$6.7	(\$4.0)	\$8.6	\$9.2	\$3.3
(+) Unrealized Gain on Derivatives	(4.6)	11.8	(3.3)	(1.6)	(6.3)
(+) Income Tax Expense	0.8	0.0	1.0	2.4	1.0
(+) Interest Expense	0.2	0.2	0.3	0.5	0.6
(+) DD&A	1.6	2.1	2.0	1.6	1.8
(+) Impairment	0.0	0.0	0.0	0.0	6.1
(+) Cash Receipts from/Payments on Off-Market Derivatives	(2.7)	(2.5)	(1.3)	(1.1)	(0.9)
(+) Restricted Stock and Deferred Director's Exp	0.3	0.5	0.6	1.0	0.6
(-) Gains (Losses) on Asset Sales	(2.1)	2.3	0.7	3.6	0.9
Adjusted EBITDA	\$4.4	\$5.8	\$7.2	\$8.4	\$5.3
(-) Interest Expense	0.2	0.2	0.3	0.5	0.6
Discretionary Cash Flow	\$4.2	\$5.6	\$6.9	\$7.9	\$4.7