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PLEASE CONTACT:
Chad L. Stephens
405.948.1560
Website: www.panhandleoilandgas.com

**PANHANDLE OIL AND GAS INC.
Announces Closing of \$9.56 Million Acquisition in the Core of the STACK Play**

OKLAHOMA CITY, Dec. 18, 2019– PANHANDLE OIL AND GAS INC. (NYSE: PHX) (“Panhandle”) today announced that on Dec. 18, 2019, it closed on the acquisition of 700 net mineral acres in the core of the STACK play in Oklahoma for \$9.56 million (the “Transaction”) in cash subject to customary closing adjustments. The Transaction has an effective date of Sept. 1, 2019, which entitles Panhandle to revenues from volumes produced on and after such date. The Transaction was funded from cash on hand in 1031 escrow accounts associated with the sale of largely non-producing assets in the Permian Basin and a small amount of borrowing on Panhandle’s credit facility.

Transaction Highlights:

- 700 net mineral acres / 964 net royalty acres (100% leased)
- Expected to add 124 boepd (6:1 basis) of production (67% liquids) from 87 producing wells
- Annualized cash flow of \$1.2 million based on September 2019 actual results
- 3 gross wells in progress
- 139 gross undeveloped locations upside
- Top operators by net mineral acres are Devon, Encana, Cimarex and Marathon
- 1 rig currently operating on acquired minerals
- 11 additional rigs and 77 active permits proximate to acquired minerals

Chad Stephens, CEO, said, “I am happy to announce the closing of our first sizeable acquisition since being named Interim CEO. This acquisition is consistent with our stated strategy of focusing on mineral and royalty assets and actively participating in the consolidation currently taking place in the mineral sector. It is also another example of how Panhandle’s active portfolio management can create value on a tax efficient basis as we shifted from mostly stranded undeveloped minerals in the Permian with lack of line of sight development to minerals with current cash and more development visibility. As we enter 2020, Panhandle will continue to make the evaluation of acquisition opportunities that create value on a NAV basis a top priority.”

Panhandle Oil and Gas Inc. (NYSE: PHX) Oklahoma City-based, Panhandle Oil and Gas Inc. is an oil and natural gas mineral company with a strategy to proactively pursue the acquisition of additional minerals in our core areas of focus. Panhandle owns 258,000 net mineral acres principally located in Oklahoma, North Dakota, Texas, New Mexico and Arkansas. Approximately 70% of this mineral count is unleased and undeveloped. Additional information on the Company can be found at www.panhandleoilandgas.com.

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