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PANHANDLE OIL AND GAS INC.

**Sets Annual Shareholder Meeting Date
and Announces Dividend Payment**

OKLAHOMA CITY, OK– PANHANDLE OIL AND GAS INC. (NYSE-PHX) today reported that its Board of Directors has set the date of its annual meeting of its shareholders for March 3, 2011. The meeting will be held at the Waterford Marriott, 6300 Waterford Boulevard, Oklahoma City, Oklahoma, at 9:00 a.m. local time. Shareholders of record at the close of business on January 21, 2011, shall be entitled to vote at the meeting.

Further, a regular 7 cents per share quarterly dividend payment will be payable on March 10, 2011, to shareholders of record on February 24, 2011.

Panhandle Oil and Gas Inc. (NYSE-PHX) is engaged in the exploration for and production of natural gas and oil. Additional information on the Company can be found at www.panhandleoilandgas.com.

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