



News Release
For Immediate Release

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Panhandle Oil & Gas Added to Russell 3000® Index

Oklahoma City - Panhandle Oil & Gas Inc. (AMEX: PHX) today announced it was selected for inclusion in the Russell 3000® Index. The Russell Indexes are the leading equity index family for institutional investors with more than \$4.4 trillion in investment assets benchmarked to them. Russell's Indexes offer an objective and transparent way to accurately measure distinct segments of the global market. The Russell 3000® also serves as the U.S. component to the Russell Global Index, which is comprised of approximately 10,000 companies or 98% of the investable global market. Membership in the Russell 3000®, which remains in place for one year, means automatic inclusion in the large-cap Russell 1000® Index or small-cap Russell 2000® Index as well as the appropriate growth and value style indexes. Russell determines membership for its equity indexes primarily by objective, market-capitalization rankings and style attributes. Final membership lists for the Russell 3000®, Russell 1000®, Russell 2000®, Russell Global, Russell Midcap® and Russell Microcap® will be posted on www.russell.com June 30.

Michael C. Coffman, President and Chief Executive Officer of Panhandle Oil & Gas said: "Inclusion in the Russell 3000® Index is a major financial milestone and recognition of the effort put forth by the board of directors, management and employees of Panhandle. We are energized to realize the Company's full potential for our shareholders through the execution of drilling and production programs in our many resource-rich projects. We are confident that the Company will benefit from the increased visibility that comes with inclusion in the Russell Indexes."

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About Panhandle Oil & Gas Inc.

Panhandle Oil & Gas Inc. is engaged in the acquisition, management and development of oil and gas properties. Panhandle's oil and gas interests are located primarily in Arkansas, New Mexico, Oklahoma and Texas. Exploration and development of the Company's oil and gas properties is conducted in association with operating oil and gas companies, primarily large independent companies. Panhandle does not operate any of its oil and gas properties. The Company has been and will continue to be an active working interest participant in gas resource projects on its mineral acreage in southeast Oklahoma and Arkansas. Activity in these projects is expected to substantially increase in fiscal 2008 and beyond.

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 2007 Form 10-K filed with the Securities and Exchange Commission.

These "Risk Factors" include the volatility of oil and gas prices; Panhandle'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; declines 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; and drilling and operating risks.

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Do not place undue reliance on these forward-looking statements, which speak only as of the date of this release, and 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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