PHOENIX ENERGY ONE, LLC

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the "***Board***") of Phoenix Energy One, LLC (the "***Company***") has adopted the following Corporate Governance Guidelines (the "***Guidelines***") to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company's certificate of formation, the Company's Third A&R Limited Liability Company Agreement and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board's standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company and its stockholders or as required by applicable laws and regulations.

I. THE BOARD

A. Independence of the Board and Audit Committee

The Company is a "controlled company" as defined by the rules of the New York Stock Exchange American LLC ("***NYSE American***") and as a result qualifies for exemptions from and has elected to not comply with, certain corporate governance under the rules, including the requirements to have a board that is composed of a majority of "independent directors." Even though the Company will be a controlled company, the Company is required to comply with certain rules of the SEC and the NYSE American relating to the membership, qualifications and operations of the audit committee. The rules of NYSE American provide that controlled companies listing only preferred or debt securities on NYSE American are only required to comply with the requirements to have an audit committee that is composed entirely of independent directors, an audit committee charter, and audit committee meeting requirements, responsibilities and authorities, to the extent required by Rule 10A-3 under the Exchange Act. As a result, under these rules, the Company must have an audit committee of at least one director, which director must be independent.

B. Director Qualification Standards and Additional Selection Criteria

The Board, in nominating director candidates, may evaluate candidates in accordance with the qualification standards set forth in Attachment A to these Corporate Governance Guidelines. In addition the Board may also consider the additional selection criteria listed in Attachment A. As a controlled company listing only preferred securities, the Company is not required to maintain a nominating committee under NYSE American §804.

C. Director Orientation and Continuing Education

Management will provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management will provide opportunities

for additional educational sessions for directors on matters relevant to the Company and its business.

D. Service on Other Boards

The Board does not believe that its members should be prohibited from serving on boards of other organizations and has not adopted any guidelines limiting such activities. However, the Board may take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors. Prior to accepting any position on the board of directors of any organization, whether for-profit or not-for-profit, current directors should notify your fellow members of the Board. The other members of the Board shall review the proposed board membership to ensure compliance with applicable laws and policies.

E. Directors Who Resign or Materially Change Their Current Positions With Their Own Company or Become Aware of Circumstances that May Adversely Reflect upon the Director or the Company

When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer or becomes aware of circumstances that may adversely reflect upon the director or the Company, such director should notify the Board of such circumstances. The Board will consider the circumstances, and may in certain cases request that the director submit his or her resignation from the Board if, for example, continuing service on the Board by the individual is not consistent with the criteria deemed necessary for continuing service on the Board.

F. Term Limits

The Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.

G. Director Responsibilities

The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. These include:

- exercising their business judgment in good faith;
- acting in what they reasonably believe to be the best interest of all stockholders;
- becoming and remaining well-informed about the Company's business and operations and general business and economic trends affecting the Company; and

- ensuring that the business of the Company is conducted so as to further the long-term interests of its stockholders.

H. Compensation

The Board believes that director compensation should fairly pay directors for work required in a business of the Company's size and scope, and that compensation should align directors' interests with the long-term interests of stockholders. Non-executive directors will receive an annual cash retainer equal to $145,000 for service on the Board. Additionally, directors will be reimbursed for reasonable business expenses incurred in connection with service on the Board. Directors are not expected to receive any other compensation for their services as members of our board of directors under the planned arrangements. The Company's executive officers do not receive additional compensation for their service as directors.

Except as otherwise permitted by the applicable NYSE American rules, members of the Audit Committee may not directly or indirectly receive any compensation from the Company other than their directors' compensation, including any compensation for service on committees of the Board and the receipt of equity incentive awards.

I. Interaction with Institutional Investors and the Press

The Board believes that management speaks for the Company. Each director should refer all inquiries from institutional investors, the press or other third parties regarding the Company's operations to management. Individual Board members may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chair of the Board.

J. Board Access to Senior Management

The Board will have complete access to Company management in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Chair of the Board, or if neither is available or neither is appropriate, directly by the director. To the extent appropriate, such contact, if in writing, should be copied to the Chief Executive Officer of the Company.

K. Board Access to Independent Advisors

The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to any independent advisor retained by the Company, and the Board may hire any independent advisor it considers necessary to discharge its responsibilities.

II. BOARD MEETINGS

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board and all committees on which the director sits (including separate meetings of the Independent Directors), with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting of the Board or a committee of the Board is expected to notify the Chair of the Board or the Chair of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference in the case of an in-person meeting.

III. COMMITTEE MATTERS

The Board currently has one standing committee, the Audit Committee. The Audit Committee will perform its duties as assigned by the Board in compliance with the Company's, Third A&R Limited Liability Company Agreement and the Audit Committee's charter. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

IV. SUCCESSION PLANNING

The Board (or a committee delegated by the Board) will work on a periodic basis with the Chief Executive Officer to evaluate the Company's succession plans upon the Chief Executive Officer's retirement and in the event of an unexpected occurrence.

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PHOENIX ENERGY ONE, LLC

Attachment A

Director Qualification Standards and Additional Selection Criteria

Director Qualification Standards:

The Board, in nominating director candidates, will consider candidates who have a high level of personal and professional integrity, strong ethics and values and the ability to make mature business judgments.

Additional Selection Criteria:

In evaluating director candidates the Board may also consider the following criteria as well as any other factor that they deem to be relevant, in compliance with applicable laws and regulations:

A. The candidate's experience in corporate management, such as serving as an officer or former officer of a publicly held company;

B. The candidate's experience as a Board member of another publicly held company;

C. The candidate's professional and academic experience relevant to the Company's industry;

D. The strength of the candidate's leadership skills;

E. The candidate's experience in finance and accounting and / or executive compensation practices; and

F. Whether the candidate has the time required for preparation, participation and attendance at Board meetings and committee meetings, if applicable; and

G. Whether the candidate contributes to the mix of experience, backgrounds, qualifications and skills of the Board.

In addition, the Board will consider whether there are potential conflicts of interest with the candidate's other personal and professional pursuits.

The Board should monitor the mix of specific experience, backgrounds, qualifications and skills of its directors in order to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Company's business and structure.