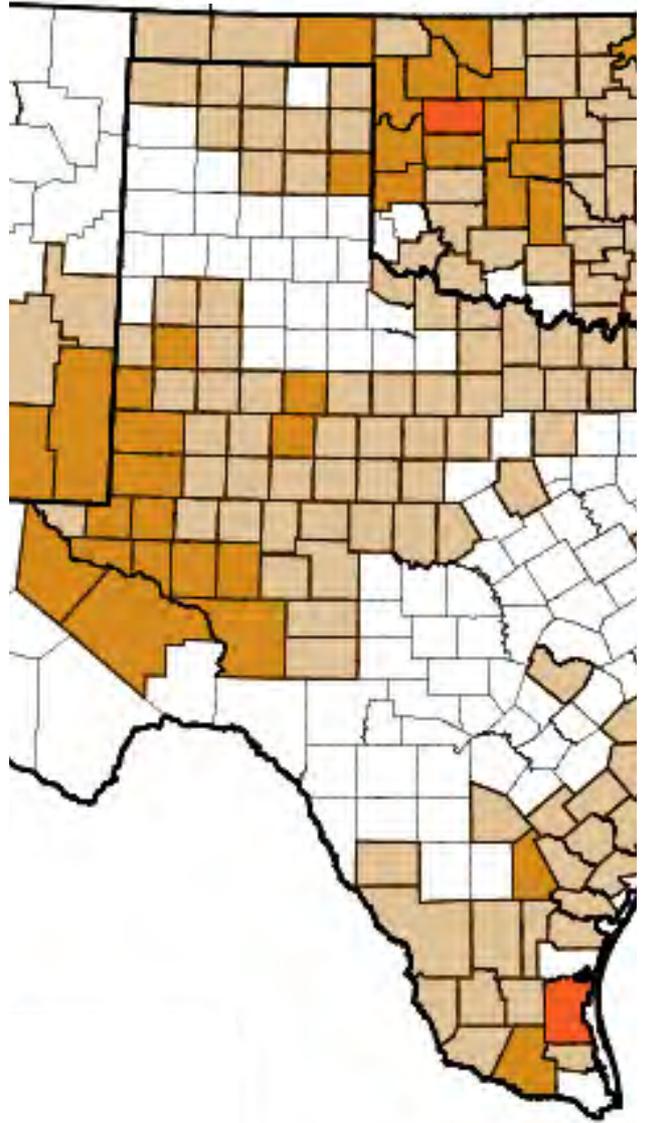


SABINE ROYALTY TRUST



1st
Quarter Report
2015

To Unit holders:

Sabine Royalty Trust (the "Trust") makes monthly distributions to the holders of units of beneficial interest in the Trust ("Units") of the excess of the preceding month's revenues received over expenses incurred. Upon receipt, royalty income is invested in short-term investments until its subsequent distribution. In accordance with the Trust Agreement, the Trust's only long-term assets consist of royalty interests in producing and proved undeveloped oil and gas properties. Although the Trust is permitted to borrow funds if necessary to continue its operations, borrowings are not anticipated in the foreseeable future.

Distributable income consists of royalty income plus interest income plus any decrease in cash reserves established by the Trustee less general and administrative expenses of the Trust less any increase in cash reserves established by the Trustee.

Distributable income for the three months ended March 31, 2015 was \$14,564,386, or \$1.00 per Unit. Royalty income for the three months ended March 31, 2015 amounted to \$15,110,863 while interest income was \$227. General and administrative expenses totaled \$546,704 for the three months ended March 31, 2015.

Distributions during the period were \$.28281, \$.27708 and \$.44414 per Unit payable to Unit holders of record on January 15, February 17, and March 16, 2015, respectively.

Royalty income for the quarter ended March 31, 2015 increased approximately \$1,336,000 or 10% compared with the first quarter of 2014. This increase was primarily caused by increases in the production of both natural gas and oil (\$2.3 million) along with an increase in the price of natural gas (\$0.7 million). These increases were offset somewhat by a decrease in the pricing of oil (\$1.5 million) along with an increase in taxes and production expenses corresponding with the increase in revenues (\$0.2 million).

Compared to the preceding quarter ended December 31, 2014, royalty income increased approximately \$2,763,000 or 22%, due mainly to an increase in the production of oil (\$2.1 million) along with an increase in the pricing of natural gas (\$0.8 million) and a decrease in ad valorem taxes paid (\$2.0 million). These increases were offset somewhat by a decrease in the pricing of oil (\$1.5 million), a decrease in the

production of natural gas (\$0.5 million) and a decrease in miscellaneous receipts (\$0.1 million).

The following table illustrates average prices received for the periods discussed above and the related oil and gas production volumes:

	Quarter Ended		
	March 31, 2015	March 31, 2014	December 31, 2014
Production			
Oil (Bbls)	135,592	120,819	104,703
Gas (Mcfcs)	1,658,070	1,362,625	1,762,147
Average Price			
Oil (per Bbl)	\$ 68.14	\$ 80.43	\$ 82.66
Gas (per Mcf)	\$ 4.44	\$ 3.92	\$ 4.01

Gas revenues received for the three months ended March 31, 2015, related primarily to production for October through December 2014. The average price of gas reported by the Henry Hub for the same time period was \$3.40 per Mcf. The average price of gas for the Henry Hub was \$2.61 per Mcf for January through March 2015. Oil revenues for the three months ended March 31, 2015 related primarily to production for November 2014 through January 2015. The average price of oil as reported by NYMEX for that time period was \$60.51 per barrel. The average price of oil was \$48.57 per barrel for January through March 2015. As of April 14, 2015, the average price of gas for the Henry Hub was \$2.32 per Mcf and the average price of oil reported by NYMEX was \$53.29 per barrel. It is difficult to estimate future prices of oil and gas, and any assumptions concerning future prices may prove to be incorrect.

Interest income for the quarter ended March 31, 2015 decreased approximately \$1,000 compared with the first quarter of 2014. Compared to the preceding quarter ended December 31, 2014, interest income was relatively flat. Changes in interest income are the result of changes in interest rates and funds available for investment.

General and administrative expenses for the quarter ended March 31, 2015 decreased by approximately \$62,600 compared to the same quarter of 2014 primarily due to decreases in legal and other professional fees of approximately \$55,000; auditing services of approximately \$52,000; and transfer agent fees of approximately \$17,900. These decreases were offset somewhat by increases in escrow agent/trustee fees of approximately \$47,300; and Unit holder

information services of approximately \$12,700.

Compared to the previous quarter ended December 31, 2014, general and administrative expenses increased approximately \$33,800 due mainly to timing of the payment of the annual New York Stock Exchange listing fee of \$45,000 paid in February 2015; increases in legal and other professional fees of approximately \$24,000; and increases in Unit holder information services of approximately \$30,000. These increases were offset somewhat by a decrease due to the timing of payment of ad valorem tax service fees of approximately \$24,900; the timing of payment of fees for auditing services of approximately \$19,000; and decreases in printing expenses of approximately \$20,500.

For the calendar year 2015 the Bank's Administration Expenses are estimated to be \$1,036,000 which would result

in fees payable to the Bank of approximately \$1,480,000. These fees include both a reimbursement for costs and a margin of profit. The Trust incurs substantial costs and expenses in addition to the Bank's fees which are estimated to be approximately \$1,176,500 for the calendar year 2015.

Sabine Royalty Trust
By Southwest Bank, Trustee



By Ron E. Hooper
SVP, Royalty Trust Management

May 22, 2015

Information About the Trust

Sabine Royalty Trust (the "Trust"), formed effective December 31, 1982, is an express trust existing under the Sabine Corporation Royalty Trust Agreement. All units of beneficial interest (the "Units") in the Trust were distributed to Sabine Corporation's shareholders of record on December 23, 1982 on the basis of one Unit for each outstanding share of Sabine Corporation's common stock. Pacific Enterprise Oil Company (USA), as successor to Sabine Corporation, has assumed by operation of law all of Sabine Corporation's rights and obligations with respect to the Trust. The Units are traded on the New York Stock Exchange under the symbol "SBR". The Trust has a December 31 fiscal year end.

The Trust's assets consist of royalty and mineral interests, including landowner's royalties and overriding royalty interests, in producing and proved undeveloped oil and gas properties in Florida, Louisiana, Mississippi, New Mexico, Oklahoma and Texas (the "Royalties"). Revenues of the Trust are directly dependent upon the price of oil and gas as well as the quantities produced. The Trust does not participate in any exploration or development projects and does not have any working interest revenues or expenses.

The Trust makes monthly distributions of net income to Unit holders of record on the monthly record date (generally the 15th of each calendar month). Distributions are mailed to

Unit holders on or about the 29th of each month. Distributions by the Trust in 2015 have been as follows (stated in dollars per Unit):

Month of Payment	Amount	Month of Payment	Amount
January	\$.28281	April	\$.27658
February	\$.27708	May	\$.22925
March	\$.44414		

The Trust's monthly distributions include cash received by the Trustee, acting as Escrow Agent on the record date for such distribution, which represents cash attributable to the Royalties, and interest thereon, collected by the Trustee, acting as Escrow Agent, during the preceding calendar month.

Schedules of information on a per Unit basis for preparation of federal and state income tax returns will be provided in booklet form for calendar year 2015 in March 2016. Monthly schedules of income tax information for January through March 2015 are available now for those Unit holders who file fiscal year tax returns and need this information. Please request to be placed on a special mailing list if you need this interim tax information by writing to Tax Mailing List, Sabine Royalty Trust, P.O. Box 962020, Fort Worth, Texas 76162-2020, 1 (855) 588-7839. Our website is www.sbr-sabine.com.

Condensed Statements of Assets, Liabilities and Trust Corpus (Unaudited)

	March 31, 2015	December 31, 2014
Assets		
Cash and short-term investments	\$ 5,173,528	\$ 6,488,132
Royalty interests in oil and gas properties (less accumulated amortization of \$22,049,719 and \$22,037,912 at March 31, 2015 and December 31, 2014).....	345,466	357,273
TOTAL	\$ 5,518,994	\$ 6,845,405
Liabilities and Trust Corpus		
Trust expenses payable.....	\$ 173,314	\$ 170,843
Other payables	895,908	2,139,270
	1,069,222	2,310,113
Trust corpus – 14,579,345 units of beneficial interest authorized and outstanding.....	4,449,772	4,535,292
TOTAL	\$ 5,518,994	\$ 6,845,405

Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended March 31,	
	2015	2014
Trust corpus, beginning of period.....	\$ 4,535,292	\$ 5,634,513
Amortization of royalty interests.....	(11,807)	(11,174)
Distributable income.....	14,564,386	13,167,253
Distributions.....	(14,638,099)	(12,146,199)
Trust corpus, end of period.....	\$ 4,449,772	\$ 6,644,393
Distributions per unit (14,579,345 units).....	\$ 1.00	\$.83

Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended March 31,	
	2015	2014
Royalty Income.....	\$ 15,110,863	\$ 13,775,321
Interest income.....	227	1,228
Total	15,111,090	13,776,549
General and administrative expenses.....	(546,704)	(609,296)
Distributable income.....	\$ 14,564,386	\$ 13,167,253
Distributable income per unit (14,579,345 units).....	\$ 1.00	\$.90