

SABINE ROYALTY TRUST

A photograph of an oil pumpjack in a field at sunset. The sky is a mix of blue and orange, with scattered clouds. The pumpjack is silhouetted against the bright sky. The foreground is filled with tall grasses.

2nd

Quarter Report

2024

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 royalty income 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 June 30, 2024, was \$22,078,997, or \$1.51 per Unit. Royalty income for the three months ended June 30, 2024, amounted to \$22,607,108 while interest income was \$175,353. General and administrative expenses totaled \$703,464 for the three months ended June 30, 2024.

Distributions during the period were \$0.535500, \$0.597730, and \$0.537640 per Unit payable to Unit holders of record on April 15, May 15, and June 17, 2024, respectively.

Royalty income for the quarter ended June 30, 2024, increased approximately \$5,173,000 or 30% compared with the second quarter of 2023. This increase was primarily the result of an increase in both oil and natural gas production (\$7.2 million) and in oil prices (\$1.3 million), offset by a decrease in natural gas prices (\$2.7 million), and increased production taxes, operating expenses, and ad valorem taxes (\$0.6 million).

Compared to the preceding quarter ended March 31, 2024 royalty income increased approximately \$1,848,000 or 9%, due mainly to increased oil production (\$3.7 million), offset by lower oil and natural gas prices (\$1.7 million), and lower gas production (\$0.1 million). Production taxes, operating expenses, and ad valorem taxes were relatively flat.

Royalty income for the six months ended June 30, 2024, decreased approximately \$1,203,000 or 3% compared to the same time period in 2023. This

decrease was mainly due to lower natural gas prices (\$11.6 million). This decrease was tempered somewhat by an increase in the production of both oil and natural gas (\$9.8 million), and lower ad valorem taxes and operating expenses (\$0.6 million).

The following tables illustrate average prices received for the periods discussed above and the related oil and gas production volume:

	Quarter Ended		
	June 30, 2024	June 30, 2023	March 31, 2024
Production			
Oil (Bbls)	220,438	159,548	174,002
Gas (Mcf)	3,869,375	2,676,099	3,934,950
Average Price			
Oil (per Bbl) \$	78.89	70.83	80.20
Gas (per Mcf) \$	1.99	2.98	2.37
	Six Months Ended		
	June 30, 2024	June 30, 2023	
Production			
Oil (Bbls)	394,440		320,351
Gas (Mcf)	7,804,325		6,032,173
Average Price			
Oil (per Bbl) \$	79.47		75.61
Gas (per Mcf) \$	2.18		4.10

Gas royalty income received for the three months ended June 30, 2024, related primarily to production for January through March 2024. The average price of gas reported by the Henry Hub for the same time period was \$1.93 per Mcf. The average price of gas for the Henry Hub was \$1.90 per Mcf for January through June 2024. Oil royalty income for the three months ended June 30, 2024, related primarily to production for February through April 2024. The average price of oil as reported by NYMEX for that time period was \$81.42 per barrel. The average price of oil was \$79.69 per barrel for January through June 2024. As of July 29, 2024, the average price of gas for the Henry Hub was \$1.71 per Mcf and the average price of oil reported by NYMEX was \$77.27 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 June 30, 2024, increased \$20,644 compared with the second quarter of 2023. Compared to the preceding quarter ended March 31, 2024, interest income increased \$23,427. Interest income for the six months ended June 30, 2024 decreased approximately \$74,446 com-

pared to the same period in 2023. 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 June 30, 2024 decreased by approximately \$186,300 compared to the same quarter of 2023 primarily due to a decrease in Escrow Agent/Trustee fees of approximately \$88,700, unitholder service of \$69,500, printing services of \$24,200, and professional service of \$18,500. These were partially offset by increases in CDEX services of \$11,000, and audit services of \$4,200.

Compared to the previous quarter ended March 31, 2024, general and administrative expenses decreased approximately \$285,800 primarily due to a decrease related to timing of payment of legal and professional services of approximately \$216,000, unitholder services of \$57,800, and CDEX account and transfer agent

services of \$12,000.

General and administrative expenses decreased approximately \$302,800 for the six months ended June 30, 2024, compared to the same time period in 2023 due primarily to a decrease in Escrow Agent/Trustee fees of approximately \$267,100 and a decrease in professional services of \$35,900.

Sabine Royalty Trust
By Argent Trust Company, Trustee



By Nancy Willis
Director Of Royalty Trust Services

August 20, 2024

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 2024 have been as follows (stated in dollars per Unit):

Month of Payment	Amount	Month of Payment	Amount
January	\$.437160	May	\$.597730
February	\$.419460	June	\$.537640
March	\$.411450	July	\$.379040
April	\$.535500	August	\$.450890

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 2024 in March 2025. Monthly schedules of income tax information for January through June 2024 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, Argent Trust Company, 3838 Oak Lawn Ave, Ste 1720, Dallas, TX 75219-4518, 1 (855) 588-7839. Our website is www.sbr-sabine.com.

Condensed Statements of Assets, Liabilities and Trust Corpus

	June 30, 2024 (Unaudited)	December 31, 2023
Assets		
Cash and short-term investments.....	\$ 8,362,564	\$ 9,342,423
Royalty interests in oil and gas properties (less accumulated amortization of \$22,310,118 and \$22,299,783 at June 30, 2024 and December 31, 2023)	85,067	95,402
TOTAL.....	<u>\$ 8,447,631</u>	<u>\$ 9,437,825</u>
Liabilities and Trust Corpus		
Trust expenses payable.....	\$ 207,851	\$ 508,489
Other payables.....	538,607	370,430
	<u>746,458</u>	<u>878,919</u>
Trust corpus – 14,579,345 units of beneficial interest authorized and outstanding	7,701,173	8,558,906
TOTAL.....	<u>\$ 8,447,631</u>	<u>\$ 9,437,825</u>

Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Trust corpus, beginning of period.....	\$ 9,987,642	\$ 12,395,493	\$ 8,558,906	\$ 11,409,506
Amortization of royalty interests.....	(5,276)	(4,916)	(10,335)	(10,762)
Distributable income	22,078,997	16,698,836	42,000,424	42,975,336
Distributions.....	(24,360,190)	(22,225,483)	(47,847,822)	(47,510,150)
Trust corpus, end of period	<u>\$ 7,701,173</u>	<u>\$ 6,863,930</u>	<u>\$ 7,701,173</u>	<u>\$ 6,863,930</u>
Distributions per unit (14,579,345 units) ..	<u>\$ 1.67</u>	<u>\$ 1.52</u>	<u>\$ 2.94</u>	<u>\$ 3.26</u>

Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Royalty income	\$ 22,607,108	\$ 17,433,846	\$ 43,365,913	\$ 44,569,132
Interest income	175,353	154,709	327,279	401,725
Total.....	22,782,461	17,588,555	43,693,192	44,970,857
General and administrative expenses.....	(703,464)	(889,719)	(1,692,768)	(1,995,521)
Distributable income	<u>\$ 22,078,997</u>	<u>\$ 16,698,836</u>	<u>\$ 42,000,424</u>	<u>\$ 42,975,336</u>
Distributable income per unit (14,579,345 units) .	<u>\$ 1.51</u>	<u>\$ 1.15</u>	<u>\$ 2.88</u>	<u>\$ 2.95</u>