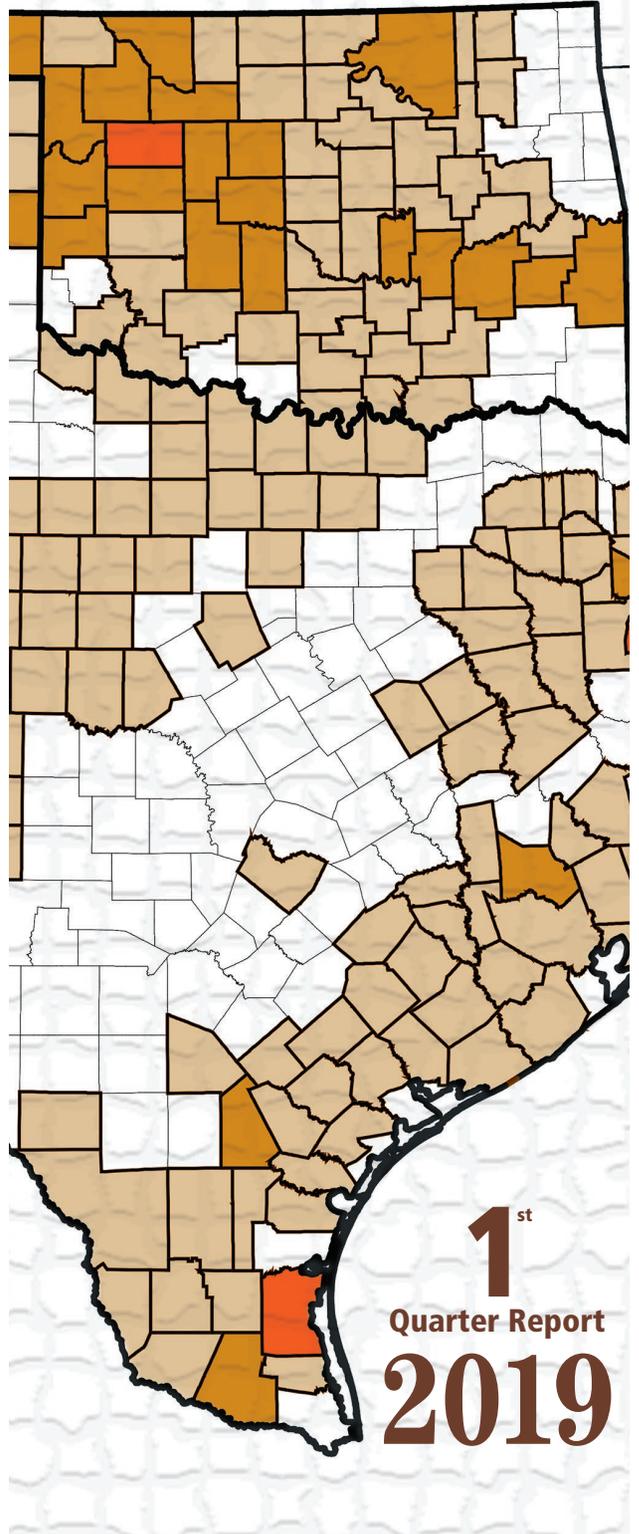


SABINE ROYALTY TRUST



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, 2019 was \$12,848,406, or \$0.88 per Unit. Royalty income for the three months ended March 31, 2019 amounted to \$13,692,528 while interest income was \$49,237. General and administrative expenses totaled \$893,359 for the three months ended March 31, 2019.

Distributions during the period were \$0.302650, \$0.251090 and \$0.278540 per Unit payable to Unit holders of record on January 15, February 15, and March 15, 2019, respectively.

Royalty income for the quarter ended March 31, 2019 increased approximately \$2,942,000 or 27% compared with the first quarter of 2018. This increase was primarily the result of higher production for both oil and natural gas (\$3.0 million), along with a decrease in operating expenses due to refunds of state withholding taxes (\$0.8 million) and an increase in the price of natural gas (\$0.3 million). These increases were offset somewhat by a decrease in the price of oil (\$0.8 million), along with an increase in severance taxes (\$0.4 million).

Compared to the preceding quarter ended December 31, 2018, royalty income decreased approximately \$2,947,000 or 18%, due primarily to a decrease in the production of both oil and natural gas (\$4.6 million) and a decrease in the price of oil (\$2.5 million). These decreases to gross royalty income were offset somewhat by an increase in the price of natural gas (\$1.4 million), a decrease in severance taxes (\$1.4 mil-

lion), a decrease in operating expenses due to refunds of state withholding taxes (\$0.8 million) and a decrease in revenue due others (\$0.5 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, 2019	March 31, 2018	December 31, 2018
Production			
Oil (Bbls)	179,016	138,099	246,516
Gas (Mcfs)	1,909,586	1,585,253	2,322,515
Average Price			
Oil (per Bbl)	\$ 49.07	\$ 55.00	\$ 59.18
Gas (per Mcf)	\$ 3.00	\$ 2.78	\$ 2.41

Gas revenues received for the three months ended March 31, 2019, related primarily to production for October through December 2018. The average price of gas reported by the Henry Hub for the same time period was \$3.39 per Mcf. The average price of gas for the Henry Hub was \$2.63 per Mcf for January through March 2019. Oil revenues for the three months ended March 31, 2019 related primarily to production for November 2018 through January 2019. The average price of oil as reported by NYMEX for that time period was \$52.70 per barrel. The average price of oil was \$54.82 per barrel for January through March 2019. As of April 15, 2019, the average price of gas for the Henry Hub was \$2.48 per Mcf and the average price of oil reported by NYMEX was \$63.43 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, 2019 increased \$28,800 compared with the first quarter of 2018. Compared to the preceding quarter ended December 31, 2018, interest income decreased \$6,500. 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, 2019 increased by approximately \$54,800 compared to the same quarter of 2018 primarily due to an increase in legal and professional services of approximately \$32,700, printing and unit holder services of approximately \$14,100, an increase in the Escrow Agent/Trustee fees of

approximately \$5,100 and an increase in the New York Stock Exchange Listing fee of \$3,000.

Compared to the previous quarter ended December 31, 2018, general and administrative expenses increased approximately \$330,200 primarily due to increases relating to the timing of payment of legal and professional services of approximately \$227,600, the timing of payment of the New York Stock Exchange listing fee of \$68,000, and the timing of the payment of printing and unit holder services of approximately \$36,200.

For the calendar year 2019 the Bank's Administration Expenses are estimated to be \$1,155,000 which would result in fees payable to the Bank of approximately \$1,650,000. 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 \$1,200,000 for the calendar year 2019.

Sabine Royalty Trust
By Simmons Bank, Trustee



By Ron E. Hooper
SVP, Royalty Trust Management

May 17, 2019

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 2019 have been as follows (stated in dollars per Unit):

Month of Payment	Amount	Month of Payment	Amount
January	\$.302650	April	\$.351660
February	\$.251090	May	\$.146470
March	\$.278540		

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 2019 in March 2020. Monthly schedules of income tax information for January through March 2019 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, Simmons Bank, 2911 Turtle Creek Blvd Ste 850, Dallas, TX 75219, 1 (855) 588-7839. Our website is www.sbr-sabine.com.

Condensed Statements of Assets, Liabilities and Trust Corpus

	March 31, 2019 <i>(Unaudited)</i>	December 31, 2018
Assets		
Cash and short-term investments	\$ 8,288,322	\$ 9,250,494
Royalty interests in oil and gas properties (less accumulated amortization of \$22,189,396 and \$22,181,297 at March 31, 2019 and December 31, 2018)	<u>205,789</u>	<u>213,888</u>
TOTAL.....	<u>\$ 8,494,111</u>	<u>\$ 9,464,382</u>
Liabilities and Trust Corpus		
Trust expenses payable.....	\$ 301,177	\$ 165,216
Other payables.....	<u>1,820,460</u>	<u>3,632,901</u>
	<u>2,121,637</u>	<u>3,798,117</u>
Trust corpus – 14,579,345 units of beneficial interest authorized and outstanding	<u>6,372,474</u>	<u>5,666,265</u>
TOTAL.....	<u>\$ 8,494,111</u>	<u>\$ 9,464,382</u>

Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended March 31,	
	2019	2018
Trust corpus, beginning of period.....	\$ 5,666,265	\$ 4,594,384
Amortization of royalty interests.....	(8,099)	(7,686)
Distributable income	12,848,406	9,932,082
Distributions	<u>(12,134,098)</u>	<u>(9,169,241)</u>
Trust corpus, end of period	<u>\$ 6,372,474</u>	<u>\$ 5,349,539</u>
Distributions per unit (14,579,345 units)	<u>\$.83</u>	<u>\$.63</u>

Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended March 31,	
	2019	2018
Royalty Income	\$ 13,692,528	\$ 10,750,239
Interest income	49,237	20,450
Total.....	<u>13,741,765</u>	<u>10,770,689</u>
General and administrative expenses.....	<u>(893,359)</u>	<u>(838,607)</u>
Distributable income	<u>\$ 12,848,406</u>	<u>\$ 9,932,082</u>
Distributable income per unit (14,579,345 units)	<u>\$.88</u>	<u>\$.68</u>