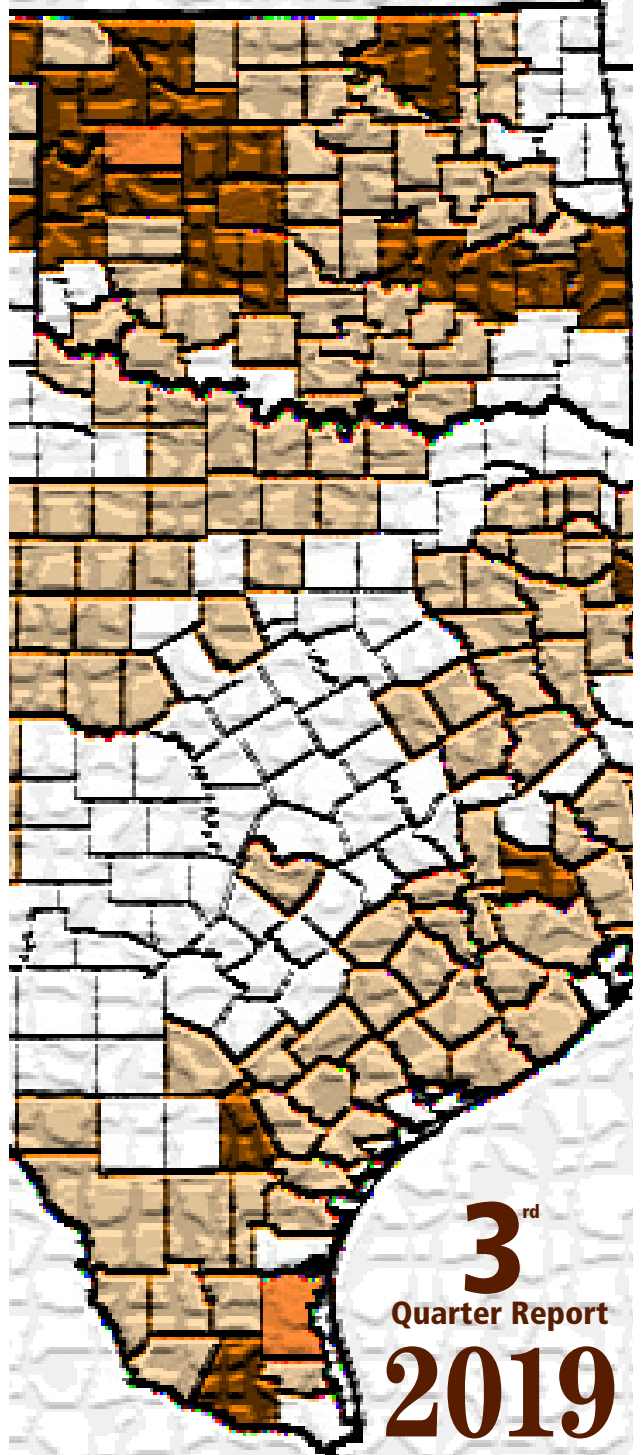


SABINE ROYALTY TRUST



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 September 30, 2019 was \$10,336,238 or \$0.71 per Unit. Royalty income for the three months ended September 30, 2019 amounted to \$11,112,450 while interest income was \$41,642. General and administrative expenses totaled \$817,854 for the three months ended September 30, 2019.

Distributions during the period were \$0.176360, \$0.228930 and \$0.241250 per Unit payable to Unit holders of record on July 15, August 15, and September 16, 2019, respectively.

Royalty income for the quarter ended September 30, 2019 decreased approximately \$744,000 or 6% compared with the third quarter of 2018. This decrease was primarily the result of lower prices for both oil and natural gas (\$2.8 million). This decrease was offset somewhat by an increase in production of both oil and natural gas (\$2.1 million).

Compared to the preceding quarter ended June 30, 2019, royalty income increased approximately \$661,000 or 6%, due mainly to an increase in the production of both oil and natural gas (\$1.7 million) as well as an increase in the price of oil (\$0.2 million). These increases were offset somewhat by lower prices for natural gas (\$1.1 million) as well as higher taxes and operating expenses (\$0.2 million).

Royalty income for the nine months ended September 30, 2019 decreased \$489,000 or 1% compared with the same time period in 2018. This decrease was due mainly to lower natural gas and oil prices (\$5.2 million). This decrease was tempered somewhat by increased production in both oil and natural gas

(\$4.1 million) and lower 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 volumes:

	Quarter Ended		
	September 30, 2019	September 30, 2018	June 30, 2019
Production			
Oil (Bbls)	167,167	139,040	151,652
Gas (Mcf)	2,008,951	1,656,856	1,494,636
Average Price			
Oil (per Bbl)	\$ 52.76	\$ 61.55	\$ 51.46
Gas (per Mcf)	\$ 1.76	\$ 2.73	\$ 2.50
	Nine Months Ended		
	September 30, 2019	September 30, 2018	
Production			
Oil (Bbls)	497,835		443,284
Gas (Mcf)	5,413,173		4,854,288
Average Price			
Oil (per Bbl)	\$ 51.04		\$ 58.76
Gas (per Mcf)	\$ 2.40		\$ 2.77

Gas royalty income received for the three months ended September 30, 2019, related primarily to production for April through June 2019. The average price of gas reported by the Henry Hub for the same time period was \$2.31 per Mcf. The average price of gas for the Henry Hub was \$2.36 per Mcf for January through September 2019. Oil royalty income for the three months ended September 30, 2019 related primarily to production for May through July 2019. The average price of oil as reported by NYMEX for that time period was \$57.71 per barrel. The average price of oil was \$57.04 per barrel for January through September 2019. As of October 15, 2019, the average price of gas for the Henry Hub was \$2.06 per Mcf and the average price of oil reported by NYMEX was \$52.81 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 September 30, 2019 increased \$5,700 compared with the third quarter of 2018. Compared to the preceding quarter ended June 30, 2019, interest income decreased \$3,100. Interest income for the nine months ended September 30, 2019 increased approximately \$49,100 over the same time period in 2018. 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 September 30, 2019 increased by approximately \$246,400 compared to the same quarter of 2018

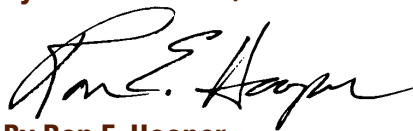
primarily due to an increase in Escrow Agent/Trustee fees of approximately \$126,000; the timing of payment of printing and unit holder expenses of approximately \$67,900 and an increase in legal and professional fees of approximately \$53,400.

Compared to the previous quarter ended June 30, 2019, general and administrative expenses increased approximately \$262,900 primarily due to increases in Escrow Agent/Trustee fees of approximately \$125,500; the timing of payment of legal and professional fees of approximately \$101,900 and the timing of payment of printing and unit holder services of approximately \$36,700.

Administrative expenses increased approximately \$230,700 for the nine months ended September 30, 2019 compared to the same time period

in 2018 due primarily to an increase in Escrow Agent/Trustee fees of approximately \$135,000 and an increase in legal and professional services of approximately \$112,900. These increases were tempered somewhat by a decrease in printing and unit holder services of approximately \$15,700.

Sabine Royalty Trust
By Simmons Bank, Trustee



By Ron E. Hooper
SVP, Royalty Trust Management

November 25, 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	July	\$.176360
February	\$.251090	August	\$.228930
March	\$.278540	September	\$.241250
April	\$.351660	October	\$.238780
May	\$.146470	November	\$.322450
June	\$.359050		

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 September 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

	September 30, 2019 <i>(Unaudited)</i>	December 31, 2018
Assets		
Cash and short-term investments	\$ 8,098,435	\$ 9,250,494
Royalty interests in oil and gas properties (less accumulated amortization of \$22,204,099 and \$22,181,297 at September 30, 2019 and December 31, 2018).....	<u>191,086</u>	<u>213,888</u>
TOTAL.....	<u>\$ 8,289,521</u>	<u>\$ 9,464,382</u>
Liabilities and Trust Corpus		
Trust expenses payable.....	\$ 220,423	\$ 165,216
Other payables.....	<u>3,356,751</u>	<u>3,632,901</u>
	3,577,174	3,798,117
Trust corpus – 14,579,345 units of beneficial interest authorized and outstanding	<u>4,712,347</u>	<u>5,666,265</u>
TOTAL.....	<u>\$ 8,289,521</u>	<u>\$ 9,464,382</u>

Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Trust corpus, beginning of period.....	\$ 3,810,416	\$ 5,367,920	\$ 5,666,265	\$ 4,594,384
Amortization of royalty interests.....	<u>(8,176)</u>	<u>(7,932)</u>	<u>(22,802)</u>	<u>(23,925)</u>
Distributable income	10,336,238	11,321,314	33,126,238	33,797,327
Distributions.....	<u>(9,426,131)</u>	<u>(11,424,813)</u>	<u>(34,057,354)</u>	<u>(33,111,297)</u>
Trust corpus, end of period	<u>\$ 4,712,347</u>	<u>\$ 5,256,489</u>	<u>\$ 4,712,347</u>	<u>\$ 5,256,489</u>
Distributions per unit (14,579,345 units)	<u>\$.65</u>	<u>\$.78</u>	<u>\$ 2.34</u>	<u>\$ 2.27</u>

Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Royalty Income	\$ 11,112,450	\$ 11,856,756	\$35,256,790	\$ 35,746,273
Interest income	<u>41,642</u>	<u>35,969</u>	<u>135,631</u>	<u>86,515</u>
Total.....	11,154,092	11,892,725	35,392,421	35,832,788
General and administrative expenses.....	<u>(817,854)</u>	<u>(571,411)</u>	<u>(2,266,183)</u>	<u>(2,035,461)</u>
Distributable income	<u>\$ 10,336,238</u>	<u>\$ 11,321,314</u>	<u>\$33,126,238</u>	<u>\$ 33,797,327</u>
Distributable income per unit (14,579,345 units) .	<u>\$.71</u>	<u>\$.78</u>	<u>\$ 2.27</u>	<u>\$ 2.32</u>