

SABINE ROYALTY TRUST

TAX INFORMATION 2021

*This booklet contains tax information relevant to ownership of
Units of Sabine Royalty Trust and should be retained.*

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SABINE ROYALTY TRUST

January 31, 2022

To Unit Holders:

This booklet provides 2021 tax information, which will allow you to determine your pro rata share of income and expense attributable to your investment in Sabine Royalty Trust (the "Trust"). Each Unit holder is encouraged to read the entire booklet very carefully.

The material included in this booklet enables you to compute the information to be included in your federal and state income tax returns, and the items of income, deduction, and any other information shown in this booklet must be taken into account in computing your taxable income and credits on your federal income tax return and any state tax returns. This booklet, as well as any IRS Forms 1099-MISC received from the Trust relating to backup withholding (discussed on page 4) and any IRS Forms 1099 and written tax statements issued by certain middlemen (discussed on pg. A-1) that hold Trust Units on your behalf, are the only information sources for Unit holders to determine their share of the items of income and expense of the Trust for the entire 2021 calendar year. Unit holders should retain this booklet and any IRS Forms 1099 and written tax statements received from middlemen and any IRS Forms 1099-MISC received from the Trust as part of their tax records.

The material herein is not intended and should not be construed as professional tax or legal advice. Each Unit holder should consult the Unit holder's own tax advisor regarding all tax compliance matters relating to the Units.

For your convenience, revenue/expense and cost depletion calculators are now available on the Sabine Royalty Trust website at: www.sbr-sabine.com, on both the "Home" page and "Tax Information" page.

Very truly yours,

Sabine Royalty Trust,
By Simmons Bank, Trustee
1-855-588-7839
2911 Turtle Creek Blvd., Ste. 850
Dallas, TX 75219
EIN 75-6297143
CUSIP 78568810

SABINE ROYALTY TRUST

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SABINE ROYALTY TRUST

2021 TAX INFORMATION

Reading the Income and Expense Schedules

The accompanying income and expense schedule and tables reflect tax information attributable to Sabine Royalty Trust (the “Trust”) for 2021. This information has been assembled on a per-Unit basis and is expressed in decimal fractions of one dollar. A cumulative schedule for the twelve month period ended December 31, 2021 and separate cumulative tables at the federal level as well as tables for each of the states in which the Trust has properties are included. Separate depletion schedules are enclosed that provide the necessary information for Unit holders to compute cost and percentage depletion with respect to their interests in the Trust.

Identifying Which Income and Expense Schedules to Use

Pursuant to the terms of the Trust agreement and the escrow agreement (discussed below on page A-2), the Trust receives income and incurs expenses only on the Monthly Record Dates listed on page 4. Furthermore, only Unit holders of record on Monthly Record Dates are entitled to cash distributions. On the basis of these agreements, both cash and accrual basis Unit holders should be treated as realizing income and incurring expenses only on Monthly Record Dates. Therefore, if you were not the Unit holder of record on a specified Monthly Record Date, you should not use the tax information for the month in which that Monthly Record Date falls. A table of Monthly Record Dates and cash distributions per Unit is included on page 4.

The appropriate schedules to be used by a Unit holder will depend upon (i) the date the Unit holder became a holder of record of the Units, (ii) if applicable, the date the Unit holder ceased to be the holder of record of the Units, and (iii) the tax year-end of the Unit holder. For instance, a Unit holder reporting on the calendar year basis who acquired Units and became a Unit holder of record on June 15, 2021 and who still owned only those Units on December 15, 2021 must use the federal and individual state, where applicable, tables to determine their proportionate income and expenses (located on pages 6-13), and Depletion Schedules D-I and D-II or Depletion Schedule D-IV, as appropriate (located on pages 14 and 17, respectively) for such Units. However, Unit holders reporting on a calendar year basis who became Unit holders of record prior to January 15, 2021 and who continued to own only those Units on December 15, 2021, can use either the cumulative schedule for calendar year 2021 (located on page 5) or the federal and individual state, where applicable, tables (located on pages 6-13) and Depletion Schedule D-III (located on pages 15 and 16) or Depletion Schedule D-IV (located on page 17), as appropriate. As discussed in more detail herein, Unit holders may be entitled to a deduction for either cost depletion or percentage depletion (but not both), depending upon each Unit holder’s individual facts relating to the ownership of Trust Units.

Applying the Data From the Income and Expense Schedules

Unit holders who must use the separate income and expense tables should read the tables in the following manner: the months on the left-hand side of each table denote the month in which a Unit holder first became a Unit holder of record in 2021. Reading across from that month, choose the last month in 2021 in which the Unit holder was a holder of record with respect to those Units. Multiply that factor by the number of Units held for that specific period of time. For example, if Units were purchased on May 3, 2021 and held until December 31, 2021, a Unit holder would choose May from the left-hand side of the table and then choose the factor located under “December” from that row. For a worksheet approach to computing a Unit holder’s income and expense amounts, see the Tax Computation Worksheet on page 22.

Computing Depletion

Depletion schedules are included that provide information for Unit holders to compute cost depletion and percentage depletion deductions with respect to their interests in the Trust. To compute cost depletion for any taxable period, Unit holders should multiply the cost depletion factor indicated on the relevant schedule by their original tax basis in the respective Unit(s) as reduced by the cost depletion and percentage depletion that was allowable as a deduction (whether or not deducted) in prior calendar years during which they owned the Units.

For your convenience, a cost depletion calculator is now available on the Sabine Royalty Trust website at: www.sbr-sabine.com, on both the “Home” page and “Tax Information” page.

A factor for percentage depletion is also included on Depletion Schedule D-IV (located on page 17). A Unit holder may be entitled to a percentage depletion deduction, in lieu of a cost depletion deduction, if percentage depletion exceeds cost depletion for any taxable period. To compute percentage depletion for any taxable period, Unit holders should multiply the appropriate percentage depletion factor indicated on Depletion Schedule D-IV by the number of Units owned by such Unit holder. Unlike cost depletion, percentage depletion is not limited to a Unit holder’s depletable tax basis in the Units. Rather, a Unit holder is entitled to a percentage depletion deduction as long as the applicable Trust properties generate gross income.

As discussed at page A-2 of this booklet, the composite cost depletion factors are determined on the basis of a weighted average ratio of current production from each Trust property to the estimated future production from such property. This method of weighting the cost depletion factors permits the presentation of a single cost depletion factor for all Unit holders acquiring Units during a period in which there is no substantial change in the relative fair market values of the Trust properties. Primarily as a result of the decline in oil prices that occurred during 1986, there was a change in the relative fair market values of the Trust properties. Accordingly, two mutually exclusive cost depletion computations are included herein reflecting the composite cost depletion factors required to compute cost depletion for Units acquired in 1986.

The proper cost depletion schedule to use in computing 2021 cost depletion depends on the date when the Units were acquired, as described below. Therefore, Unit holders are encouraged to maintain records indicating the date of acquisition and the acquisition price for each Unit or lot of Units acquired.

Unit holders taking a cost depletion deduction who acquired Units before 2021 should use Depletion Schedule D-III (located on pages 15 and 16). The federal cost depletion factors in Depletion Schedule D-III are presented on a cumulative basis for 2021. Depletion Schedule D-III contains no state-specific cost depletion factors. Unit holders should refer to Depletion Schedule D-II (located on page 14) for the state-specific cost depletion factors.

Unit holders who acquired Units in 2021 should use Depletion Schedule D-I (located on page 14). The federal cost depletion factors in Depletion Schedule D-I are presented on a cumulative and noncumulative basis for 2021. Depletion Schedule D-I contains no state-specific cost depletion factors. Unit holders should refer to Depletion Schedule D-II (located on page 14) for the state-specific cost depletion factors.

Depletion Schedule D-II (located on page 14) contains state-specific cost depletion factors, which are presented on a noncumulative basis for all years. These factors are appropriate for use in calculating the 2021 cost depletion allowance for Units purchased in all years. You may calculate state cost depletion by either (a) calculating the amount of state depletion for each month and adding together the monthly depletion amounts or (b) adding together the applicable monthly depletion factors for the relevant state to create a composite depletion factor for such state and, in both cases, multiplying that factor by the adjusted basis of your Units. Both methods should produce the same result.

Asset Sales and Dispositions

There have been no sales or dispositions of Trust assets during the year.

Redemptions

There have been no redemptions of Trust interests during the year.

Sale or Exchange of Units

A discussion concerning the tax consequences associated with the sale or exchange of Units is presented on page A-4 in the back portion of this booklet.

Classification of Investment

Tax reform measures enacted in 1986 and 1987 require items of income and expense to be categorized as “passive,” “active” or “portfolio” in nature. An explanation of how these rules apply to the items of income and expense reported by the Trust is on page A-1 in the back portion of this booklet.

Nonresident Foreign Unit Holders

Nonresident alien individual and foreign corporation Unit holders (“Foreign Taxpayer(s)”) are subject to special tax rules with respect to their investments in the Trust. These rules are outlined on pages A-3 to A-4 in the back portion of this booklet.

Unrelated Business Taxable Income

Certain organizations that are generally exempt from federal income tax under Internal Revenue Code Section 501 are subject to federal income tax on certain types of business income defined in Section 512 as unrelated business taxable income (“UBTI”). The income of the Trust as to any tax-exempt organization should not be UBTI so long as the Trust Units are not “debt-financed property” within the meaning of Section 514(b) of the Internal Revenue Code (the “Code”). In general, a Trust Unit would be debt-financed if the Trust incurs debt or if the tax-exempt organization that is a Trust Unit holder incurs debt to acquire a Trust Unit or otherwise incurs or maintains a debt that would not have been incurred or maintained if the Trust Unit had not been acquired. A real property exception applies to the debt-financed property rules for certain types of exempt organizations. Consult your tax advisor if applicable.

Net Investment Income Tax

Section 1411 of the Code imposes a 3.8% Medicare tax on certain investment income earned by individuals, estates, and trusts. For these purposes, investment income generally will include a Unit holder’s allocable share of the Trust’s interest and royalty income plus the gain recognized from a sale of Trust Units. In the case of an individual, the tax is imposed on the lesser of (i) the individual’s net investment income from all investments, or (ii) the amount by which the individual’s modified adjusted gross income exceeds specified threshold levels depending on such individual’s federal income tax filing status (\$250,000 for married persons filing a joint return and \$200,000 in most other cases). In the case of an estate or trust, the tax is imposed on the lesser of (i) undistributed net investment income, or (ii) the excess adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins (\$13,050 for 2021).

Backup Withholding

Unit holders, other than Foreign Taxpayers, who have had amounts withheld in 2021 pursuant to the federal backup withholding provisions should have received an IRS Form 1099-MISC from the Trust. The IRS Form 1099-MISC reflects the total federal income tax withheld from distributions. Unlike other IRS Forms 1099 that you may receive, the amount reported on the IRS Form 1099-MISC received from the Trust should not be included as additional income in computing taxable income, as such amount is already included in the per-Unit income items on the income and expense schedules included herein. The federal income tax withheld, as reported on the IRS Form 1099-MISC, should be considered as a credit by the Unit holder in computing any federal income tax liability. Individual Unit holders should include the amount of backup withholding in the "Payments" section of the Unit holder's 2021 Form 1040. For a further discussion of backup withholding, see pages A-4 and A-5 in the back portion of this booklet. For amounts withheld from Foreign Taxpayers, see pages A-3 to A-4 in the back portion of this booklet.

State Tax

Because the Trust holds royalty interests and receives income that is attributable to properties located in various states, Unit holders may be obligated to file a return and may have a tax liability in those states in addition to their state of residence. The accompanying tables have been prepared in such a manner that income and deductions attributable to the various states may be determined by each Unit holder. State tax matters are more fully discussed on pages A-5 to A-6 in the back portion of this booklet.

Table of 2021 Monthly Record Dates and Cash Distributions Per Unit

Unit holders, as reflected in the transfer books of the Trust on a Monthly Record Date, received the following per-Unit cash distributions for 2021. The per-Unit cash distributions reflected below have not been reduced by any taxes that may have been withheld from distributions to Foreign Taxpayers or from distributions to Unit holders subject to the federal backup withholding rules. The distribution checks were dated and mailed on the corresponding Date Payable.

<u>Monthly Record Date</u>	<u>Date Payable</u>	<u>Distribution Per Unit</u>
January 15, 2021	January 29, 2021	0.167140
February 16, 2021	February 26, 2021	0.155290
March 15, 2021	March 29, 2021	0.210990
April 15, 2021	April 29, 2021	0.237940
May 17, 2021	May 28, 2021	0.251570
June 15, 2021	June 29, 2021	0.293880
July 15, 2021	July 29, 2021	0.278250
August 16, 2021	August 30, 2021	0.318130
September 15, 2021	September 29, 2021	0.274940
October 15, 2021	October 29, 2021	0.341580
November 15, 2021	November 29, 2021	0.375160
December 15, 2021	December 29, 2021	0.312650

SABINE ROYALTY TRUST

EIN 75-6297143

FORM 1041, GRANTOR TRUST

*Federal and State Income Tax Information
See Instructions for Use*

**SECTION I
INCOME AND EXPENSE PER UNIT**

<u>Source</u>	<u>ROYALTY INCOME AND EXPENSE</u>			<u>OTHER INCOME AND EXPENSE</u>	
	<u>Gross Income</u>	<u>Severance Tax</u>	<u>Net Royalty Payments</u>	<u>Interest Income</u>	<u>Administrative Expense</u>
Florida	\$0.022534	\$0.000436	\$0.022098	\$ *	\$0.001391
Louisiana	0.026276	0.001785	0.024491	*	0.001643
Mississippi	0.046478	0.002516	0.043962	*	0.002974
New Mexico	0.116040	0.019599	0.096441	*	0.007316
Oklahoma	0.580538	0.085557	0.494981	*	0.036298
Texas	3.135485	0.354610	2.780875	0.000839	0.196497
TOTAL	<u>\$3.927351</u>	<u>\$0.464503</u>	<u>\$3.462848</u>	<u>\$0.000839</u>	<u>\$0.246119</u>

**SECTION II
RECONCILIATION OF CASH DISTRIBUTIONS PER UNIT**

<u>Item</u>	<u>AMOUNT</u>
1. Total Net Royalty Payments	\$ 3.462848
2. Interest Income	0.000839
3. Administrative Expense	(0.246119)
4. Cash Distribution Per Unit **	<u>\$ 3.217568</u>

* Revenue attributable to these states was invested and earned interest income. Since the investments were made in Dallas, Texas, and the interest was paid there, such interest is included in the Texas interest income.

** Includes amounts withheld by the Trust from distributions to nonresident alien individuals and foreign corporations and remitted directly to the United States Treasury. This also includes amounts withheld pursuant to the backup withholding provisions.

SABINE ROYALTY TRUST FEDERAL

Table I: 2021 Gross Royalty Income (Cumulative \$ per Unit)

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
JANUARY	0.226441	0.431675	0.697194	0.983911	1.294585	1.639822	1.973539	2.341784	2.671935	3.067947	3.518807	3.927351
FEBRUARY		0.205234	0.470753	0.757470	1.068144	1.413381	1.747098	2.115343	2.445494	2.841506	3.292366	3.700910
MARCH			0.265519	0.552236	0.862910	1.208147	1.541864	1.910109	2.240260	2.636272	3.087132	3.495676
APRIL				0.286717	0.597391	0.942628	1.276345	1.644590	1.974741	2.370753	2.821613	3.230157
MAY					0.310674	0.655911	0.989628	1.357873	1.688024	2.084036	2.534896	2.943440
JUNE						0.345237	0.678954	1.047199	1.377350	1.773362	2.224222	2.632766
JULY							0.333717	0.701962	1.032113	1.428125	1.878985	2.287529
AUGUST								0.368245	0.698396	1.094408	1.545268	1.953812
SEPTEMBER									0.330151	0.726163	1.177023	1.585567
OCTOBER										0.396012	0.846872	1.255416
NOVEMBER											0.450860	0.859404
DECEMBER												0.408544

Table II: 2021 Severance Tax (Cumulative \$ per Unit)

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
JANUARY	0.042064	0.070183	0.101297	0.131369	0.166154	0.196269	0.232735	0.265135	0.295990	0.333461	0.385887	0.464503
FEBRUARY		0.028119	0.059233	0.089305	0.124090	0.154205	0.190671	0.223071	0.253926	0.291397	0.343823	0.422439
MARCH			0.031114	0.061186	0.095971	0.126086	0.162552	0.194952	0.225807	0.263278	0.315704	0.394320
APRIL				0.030072	0.064857	0.094972	0.131438	0.163838	0.194693	0.232164	0.284590	0.363206
MAY					0.034785	0.064900	0.101366	0.133766	0.164621	0.202092	0.254518	0.333134
JUNE						0.030115	0.066581	0.098981	0.129836	0.167307	0.219733	0.298349
JULY							0.036466	0.068866	0.099721	0.137192	0.189618	0.268234
AUGUST								0.032400	0.063255	0.100726	0.153152	0.231768
SEPTEMBER									0.030855	0.068326	0.120752	0.199368
OCTOBER										0.037471	0.089897	0.168513
NOVEMBER											0.052426	0.131042
DECEMBER												0.078616

SABINE ROYALTY TRUST FEDERAL

Table III: 2021 Interest Income (Cumulative \$ per Unit)

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
JANUARY	0.000147	0.000186	0.000227	0.000260	0.000295	0.000333	0.000371	0.000678	0.000718	0.000756	0.000798	0.000839
FEBRUARY		0.000039	0.000080	0.000113	0.000148	0.000186	0.000224	0.000531	0.000571	0.000609	0.000651	0.000692
MARCH			0.000041	0.000074	0.000109	0.000147	0.000185	0.000492	0.000532	0.000570	0.000612	0.000653
APRIL				0.000033	0.000068	0.000106	0.000144	0.000451	0.000491	0.000529	0.000571	0.000612
MAY					0.000035	0.000073	0.000111	0.000418	0.000458	0.000496	0.000538	0.000579
JUNE						0.000038	0.000076	0.000383	0.000423	0.000461	0.000503	0.000544
JULY							0.000038	0.000345	0.000385	0.000423	0.000465	0.000506
AUGUST								0.000307	0.000347	0.000385	0.000427	0.000468
SEPTEMBER									0.000040	0.000078	0.000120	0.000161
OCTOBER										0.000038	0.000080	0.000121
NOVEMBER											0.000042	0.000083
DECEMBER												0.000041

Table IV: 2021 Trust Administrative Expense (Cumulative \$ per Unit)

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
JANUARY	0.017384	0.039248	0.062704	0.081440	0.105788	0.127063	0.146102	0.164119	0.188511	0.205501	0.228807	0.246119
FEBRUARY		0.021864	0.045320	0.064056	0.088404	0.109679	0.128718	0.146735	0.171127	0.188117	0.211423	0.228735
MARCH			0.023456	0.042192	0.066540	0.087815	0.106854	0.124871	0.149263	0.166253	0.189559	0.206871
APRIL				0.018736	0.043084	0.064359	0.083398	0.101415	0.125807	0.142797	0.166103	0.183415
MAY					0.024348	0.045623	0.064662	0.082679	0.107071	0.124061	0.147367	0.164679
JUNE						0.021275	0.040314	0.058331	0.082723	0.099713	0.123019	0.140331
JULY							0.019039	0.037056	0.061448	0.078438	0.101744	0.119056
AUGUST								0.018017	0.042409	0.059399	0.082705	0.100017
SEPTEMBER									0.024392	0.041382	0.064688	0.082000
OCTOBER										0.016990	0.040296	0.057608
NOVEMBER											0.023306	0.040618
DECEMBER												0.017312

SABINE ROYALTY TRUST TEXAS

TABLE A TEXAS: Gross Royalty Income

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021

	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.181256	0.351250	0.560145	0.772255	1.018355	1.267492	1.535863	1.839416	2.118391	2.429290	2.803980	3.135485
February		0.169994	0.378889	0.590999	0.837099	1.086236	1.354607	1.658160	1.937135	2.248034	2.622724	2.954229
March			0.208895	0.421005	0.667105	0.916242	1.184613	1.488166	1.767141	2.078040	2.452730	2.784235
April				0.212110	0.458210	0.707347	0.975718	1.279271	1.558246	1.869145	2.243835	2.575340
May					0.246100	0.495237	0.763608	1.067161	1.346136	1.657035	2.031725	2.363230
June						0.249137	0.517508	0.821061	1.100036	1.410935	1.785625	2.117130
July							0.268371	0.571924	0.850899	1.161798	1.536488	1.867993
August								0.303553	0.582528	0.893427	1.268117	1.599622
September									0.278975	0.589874	0.964564	1.296069
October										0.310899	0.685589	1.017094
November											0.374690	0.706195
December												0.331505

TABLE B TEXAS: Severance Tax

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021

	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.035694	0.058268	0.080130	0.099821	0.126183	0.144466	0.170915	0.195715	0.219116	0.243958	0.286080	0.354610
February		0.022574	0.044436	0.064127	0.090489	0.108772	0.135221	0.160021	0.183422	0.208264	0.250386	0.318916
March			0.021862	0.041553	0.067915	0.086198	0.112647	0.137447	0.160848	0.185690	0.227812	0.296342
April				0.019691	0.046053	0.064336	0.090785	0.115585	0.138986	0.163828	0.205950	0.274480
May					0.026362	0.044645	0.071094	0.095894	0.119295	0.144137	0.186259	0.254789
June						0.018283	0.044732	0.069532	0.092933	0.117775	0.159877	0.228427
July							0.026449	0.051249	0.074650	0.099492	0.141614	0.210144
August								0.024800	0.048201	0.073043	0.115165	0.183695
September									0.023401	0.048243	0.090365	0.158895
October										0.024842	0.066964	0.135494
November											0.042122	0.110652
December												0.068530

TABLE C TEXAS: Interest Income

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021

	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000147	0.000186	0.000227	0.000260	0.000295	0.000333	0.000371	0.000678	0.000718	0.000756	0.000798	0.000839
February		0.000039	0.000080	0.000113	0.000148	0.000186	0.000224	0.000531	0.000571	0.000609	0.000651	0.000692
March			0.000041	0.000074	0.000109	0.000147	0.000185	0.000492	0.000532	0.000570	0.000612	0.000653
April				0.000033	0.000068	0.000106	0.000144	0.000451	0.000491	0.000529	0.000571	0.000612
May					0.000035	0.000073	0.000111	0.000418	0.000458	0.000496	0.000538	0.000579
June						0.000038	0.000076	0.000383	0.000423	0.000461	0.000503	0.000544
July							0.000038	0.000345	0.000385	0.000423	0.000465	0.000506
August								0.000307	0.000347	0.000385	0.000427	0.000468
September									0.000040	0.000078	0.000120	0.000161
October										0.000038	0.000080	0.000121
November											0.000042	0.000083
December												0.000041

TABLE D TEXAS: Administrative Expense

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021

	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.013915	0.032024	0.050477	0.064337	0.083624	0.098975	0.114286	0.129136	0.149747	0.163084	0.182451	0.196497
February		0.018109	0.036562	0.050422	0.069709	0.085060	0.100371	0.115221	0.135832	0.149169	0.168536	0.182582
March			0.018453	0.032313	0.051600	0.066951	0.082262	0.097112	0.117723	0.131060	0.150427	0.164473
April				0.013860	0.033147	0.048498	0.063809	0.078659	0.099270	0.112607	0.131974	0.146020
May					0.019287	0.034638	0.049949	0.064799	0.085410	0.098747	0.118114	0.132160
June						0.015351	0.030662	0.045512	0.066123	0.079460	0.098827	0.112873
July							0.015311	0.030161	0.050772	0.064109	0.083476	0.097522
August								0.014850	0.035461	0.048798	0.068165	0.082211
September									0.020611	0.033948	0.053315	0.067361
October										0.013337	0.032704	0.046750
November											0.019367	0.033413
December												0.014046

(SRT 2021 TAX)

SABINE ROYALTY TRUST OKLAHOMA

TABLE A OKLAHOMA: Gross Royalty Income

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.031586	0.054601	0.098006	0.153788	0.201910	0.280723	0.327650	0.372217	0.406059	0.467885	0.523806	0.580538
February		0.023015		0.122202	0.170324	0.249137	0.296064	0.340631	0.374473	0.436299	0.492220	0.548952
March			0.043405	0.099187	0.147309	0.226122	0.273049	0.317616	0.351458	0.413284	0.469205	0.525937
April				0.055782	0.103904	0.182717	0.229644	0.274211	0.308053	0.369879	0.425800	0.482532
May					0.048122	0.126935	0.173862	0.218429	0.252271	0.314097	0.370018	0.426750
June						0.078813	0.125740	0.170307	0.204149	0.265975	0.321896	0.378628
July							0.046927	0.091494	0.125336	0.187162	0.243083	0.299815
August								0.044567	0.078409	0.140235	0.196156	0.252888
September									0.033842	0.095668	0.151589	0.208321
October										0.061826	0.117747	0.174479
November											0.055921	0.112653
December												0.056732

TABLE B OKLAHOMA: Severance Tax

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.004516	0.008360	0.016094	0.024409	0.030940	0.040855	0.048773	0.054291	0.059746	0.069533	0.077677	0.085557
February		0.003844	0.011578	0.019893	0.026424	0.036339	0.044257	0.049775	0.055230	0.065017	0.073161	0.081041
March			0.007734	0.016049	0.022580	0.032495	0.040413	0.045931	0.051386	0.061173	0.069317	0.077197
April				0.008315	0.014846	0.024761	0.032679	0.038197	0.043652	0.053439	0.061583	0.069463
May					0.006531	0.016446	0.024364	0.029882	0.035337	0.045124	0.053268	0.061148
June						0.009915	0.017833	0.023351	0.028806	0.038593	0.046737	0.054617
July							0.007918	0.013436	0.018891	0.028678	0.036822	0.044702
August								0.005518	0.010973	0.020760	0.028904	0.036784
September									0.005455	0.015242	0.023386	0.031266
October										0.009787	0.017931	0.025811
November											0.008144	0.016024
December												0.007880

TABLE C OKLAHOMA: Administrative Expense

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.002425	0.004877	0.008712	0.012358	0.016130	0.020988	0.023665	0.025846	0.028347	0.031001	0.033893	0.036298
February		0.002452	0.006287	0.009933	0.013705	0.018563	0.021240	0.023421	0.025922	0.028576	0.031468	0.033873
March			0.003835	0.007481	0.011253	0.016111	0.018788	0.020969	0.023470	0.026124	0.029016	0.031421
April				0.003646	0.007418	0.012276	0.014953	0.017134	0.019635	0.022289	0.025181	0.027586
May					0.003772	0.008630	0.011307	0.013488	0.015989	0.018643	0.021535	0.023940
June						0.004858	0.007535	0.009716	0.012217	0.014871	0.017763	0.020168
July							0.002677	0.004858	0.007359	0.010013	0.012905	0.015310
August								0.002181	0.004682	0.007336	0.010228	0.012633
September									0.002501	0.005155	0.008047	0.010452
October										0.002654	0.005546	0.007951
November											0.002892	0.005297
December												0.002405

(SRT 2021 TAX)

SABINE ROYALTY TRUST FLORIDA

TABLE A FLORIDA: Gross Royalty Income

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.001173	0.002305	0.003665	0.006145	0.007720	0.009855	0.011938	0.014158	0.015340	0.017833	0.020163	0.022534
February		0.001132	0.002492	0.004972	0.006547	0.008682	0.010765	0.012985	0.014167	0.016660	0.018990	0.021361
March			0.001360	0.003840	0.005415	0.007550	0.009633	0.011853	0.013035	0.015528	0.017858	0.020229
April				0.002480	0.004055	0.006190	0.008273	0.010493	0.011675	0.014168	0.016498	0.018869
May					0.001575	0.003710	0.005793	0.008013	0.009195	0.011688	0.014018	0.016389
June						0.002135	0.004218	0.006438	0.007620	0.010113	0.012443	0.014814
July							0.002083	0.004303	0.005485	0.007978	0.010308	0.012679
August								0.002220	0.003402	0.005895	0.008225	0.010596
September									0.001182	0.003675	0.006005	0.008376
October										0.002493	0.004823	0.007194
November											0.002330	0.004701
December												0.002371

TABLE B FLORIDA: Severance Tax

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000038	0.000062	0.000090	0.000140	0.000168	0.000205	0.000243	0.000282	0.000309	0.000367	0.000384	0.000436
February		0.000024	0.000052	0.000102	0.000130	0.000167	0.000205	0.000244	0.000271	0.000329	0.000346	0.000398
March			0.000028	0.000078	0.000106	0.000143	0.000181	0.000220	0.000247	0.000305	0.000322	0.000374
April				0.000050	0.000078	0.000115	0.000153	0.000192	0.000219	0.000277	0.000294	0.000346
May					0.000028	0.000065	0.000103	0.000142	0.000169	0.000227	0.000244	0.000296
June						0.000037	0.000075	0.000114	0.000141	0.000199	0.000216	0.000268
July							0.000038	0.000077	0.000104	0.000162	0.000179	0.000231
August								0.000039	0.000066	0.000124	0.000141	0.000193
September									0.000027	0.000085	0.000102	0.000154
October										0.000058	0.000075	0.000127
November											0.000017	0.000069
December												0.000052

TABLE C FLORIDA: Administrative Expense

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000090	0.000211	0.000331	0.000493	0.000616	0.000748	0.000867	0.000976	0.001063	0.001170	0.001290	0.001391
February		0.000121	0.000241	0.000403	0.000526	0.000658	0.000777	0.000886	0.000973	0.001080	0.001200	0.001301
March			0.000120	0.000282	0.000405	0.000537	0.000656	0.000765	0.000852	0.000959	0.001079	0.001180
April				0.000162	0.000285	0.000417	0.000536	0.000645	0.000732	0.000839	0.000959	0.001060
May					0.000123	0.000255	0.000374	0.000483	0.000570	0.000677	0.000797	0.000898
June						0.000132	0.000251	0.000360	0.000447	0.000554	0.000674	0.000775
July							0.000119	0.000228	0.000315	0.000422	0.000542	0.000643
August								0.000109	0.000196	0.000303	0.000423	0.000524
September									0.000087	0.000194	0.000314	0.000415
October										0.000107	0.000227	0.000328
November											0.000120	0.000221
December												0.000101

(SRT 2021 TAX)

SABINE ROYALTY TRUST LOUISIANA

TABLE A LOUISIANA: Gross Royalty Income

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.001500	0.002787	0.005374	0.007094	0.009365	0.010916	0.012763	0.015679	0.017290	0.019485	0.022359	0.026276
February		0.001287	0.003874	0.005594	0.007865	0.009416	0.011263	0.014179	0.015790	0.017985	0.020859	0.024776
March			0.002587	0.004307	0.006578	0.008129	0.009976	0.012892	0.014503	0.016698	0.019572	0.023489
April				0.001720	0.003991	0.005542	0.007389	0.010305	0.011916	0.014111	0.016985	0.020902
May					0.002271	0.003822	0.005669	0.008585	0.010196	0.012391	0.015265	0.019182
June						0.001551	0.003398	0.006314	0.007925	0.010120	0.012994	0.016911
July							0.001847	0.004763	0.006374	0.008569	0.011443	0.015360
August								0.002916	0.004527	0.006722	0.009596	0.013513
September									0.001611	0.003806	0.006680	0.010597
October										0.002195	0.005069	0.008986
November											0.002874	0.006791
December												0.003917

TABLE B LOUISIANA: Severance Tax

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000075	0.000166	0.000275	0.000418	0.000594	0.000718	0.000885	0.001058	0.001207	0.001412	0.001594	0.001785
February		0.000091	0.000200	0.000343	0.000519	0.000643	0.000810	0.000983	0.001132	0.001337	0.001519	0.001710
March			0.000109	0.000252	0.000428	0.000552	0.000719	0.000892	0.001041	0.001246	0.001428	0.001619
April				0.000143	0.000319	0.000443	0.000610	0.000783	0.000932	0.001137	0.001319	0.001510
May					0.000176	0.000300	0.000467	0.000640	0.000789	0.000994	0.001176	0.001367
June						0.000124	0.000291	0.000464	0.000613	0.000818	0.001000	0.001191
July							0.000167	0.000340	0.000489	0.000694	0.000876	0.001067
August								0.000173	0.000322	0.000527	0.000709	0.000900
September									0.000149	0.000354	0.000536	0.000727
October										0.000205	0.000387	0.000578
November											0.000182	0.000373
December												0.000191

TABLE C LOUISIANA: Administrative Expense

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000115	0.000252	0.000481	0.000593	0.000771	0.000867	0.000972	0.001115	0.001234	0.001328	0.001477	0.001643
February		0.000137	0.000366	0.000478	0.000656	0.000752	0.000857	0.001000	0.001119	0.001213	0.001362	0.001528
March			0.000229	0.000341	0.000519	0.000615	0.000720	0.000863	0.000982	0.001076	0.001225	0.001391
April				0.000112	0.000290	0.000386	0.000491	0.000634	0.000753	0.000847	0.000996	0.001162
May					0.000178	0.000274	0.000379	0.000522	0.000641	0.000735	0.000884	0.001050
June						0.000096	0.000201	0.000344	0.000463	0.000557	0.000706	0.000872
July							0.000105	0.000248	0.000367	0.000461	0.000610	0.000776
August								0.000143	0.000262	0.000356	0.000505	0.000671
September									0.000119	0.000213	0.000362	0.000528
October										0.000094	0.000243	0.000409
November											0.000149	0.000315
December												0.000166

(SRT 2021 TAX)

SABINE ROYALTY TRUST MISSISSIPPI

TABLE A MISSISSIPPI: Gross Royalty Income

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.002926	0.006350	0.009035	0.013267	0.016601	0.020709	0.024424	0.028919	0.033240	0.037716	0.042198	0.046478
February		0.003424	0.006109	0.010341	0.013675	0.017783	0.021498	0.025993	0.030314	0.034790	0.039272	0.043552
March			0.002685	0.006917	0.010251	0.014359	0.018074	0.022569	0.026890	0.031366	0.035848	0.040128
April				0.004232	0.007566	0.011674	0.015389	0.019884	0.024205	0.028681	0.033163	0.037443
May					0.003334	0.007442	0.011157	0.015652	0.019973	0.024449	0.028931	0.033211
June						0.004108	0.007823	0.012318	0.016639	0.021115	0.025597	0.029877
July							0.003715	0.008210	0.012531	0.017007	0.021489	0.025769
August								0.004495	0.008816	0.013292	0.017774	0.022054
September									0.004321	0.008797	0.013279	0.017559
October										0.004476	0.008958	0.013238
November											0.004482	0.008762
December												0.004280

TABLE B MISSISSIPPI: Severance Tax

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000171	0.000369	0.000516	0.000749	0.000927	0.001142	0.001351	0.001581	0.001808	0.002054	0.002296	0.002516
February		0.000198	0.000345	0.000578	0.000756	0.000971	0.001180	0.001410	0.001637	0.001883	0.002125	0.002345
March			0.000147	0.000380	0.000558	0.000773	0.000982	0.001212	0.001439	0.001685	0.001927	0.002147
April				0.000233	0.000411	0.000626	0.000835	0.001065	0.001292	0.001538	0.001780	0.002000
May					0.000178	0.000393	0.000602	0.000832	0.001059	0.001305	0.001547	0.001767
June						0.000215	0.000424	0.000654	0.000881	0.001127	0.001369	0.001589
July							0.000209	0.000439	0.000666	0.000912	0.001154	0.001374
August								0.000230	0.000457	0.000703	0.000945	0.001165
September									0.000227	0.000473	0.000715	0.000935
October										0.000246	0.000488	0.000708
November											0.000242	0.000462
December												0.000220

TABLE C MISSISSIPPI: Administrative Expense

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000225	0.000590	0.000827	0.001104	0.001365	0.001618	0.001830	0.002050	0.002369	0.002561	0.002793	0.002974
February		0.000365	0.000602	0.000879	0.001140	0.001393	0.001605	0.001825	0.002144	0.002336	0.002568	0.002749
March			0.000237	0.000514	0.000775	0.001028	0.001240	0.001460	0.001779	0.001971	0.002203	0.002384
April				0.000277	0.000538	0.000791	0.001003	0.001223	0.001542	0.001734	0.001966	0.002147
May					0.000261	0.000514	0.000726	0.000946	0.001265	0.001457	0.001689	0.001870
June						0.000253	0.000465	0.000685	0.001004	0.001196	0.001428	0.001609
July							0.000212	0.000432	0.000751	0.000943	0.001175	0.001356
August								0.000220	0.000539	0.000731	0.000963	0.001144
September									0.000319	0.000511	0.000743	0.000924
October										0.000192	0.000424	0.000605
November											0.000232	0.000413
December												0.000181

(SRT 2021 TAX)

SABINE ROYALTY TRUST NEW MEXICO

TABLE A NEW MEXICO: Gross Royalty Income

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.008000	0.014382	0.020969	0.031362	0.040634	0.050127	0.060901	0.071395	0.081615	0.095738	0.106301	0.116040
February		0.006382	0.012969	0.023362	0.032634	0.042127	0.052901	0.063395	0.073615	0.087738	0.098301	0.108040
March			0.006587	0.016980	0.026252	0.035745	0.046519	0.057013	0.067233	0.081356	0.091919	0.101658
April				0.010393	0.019665	0.029158	0.039932	0.050426	0.060646	0.074769	0.085332	0.095071
May					0.009272	0.018765	0.029539	0.040033	0.050253	0.064376	0.074939	0.084678
June						0.009493	0.020267	0.030761	0.040981	0.055104	0.065667	0.075406
July							0.010774	0.021268	0.031488	0.045611	0.056174	0.065913
August								0.010494	0.020714	0.034837	0.045400	0.055139
September									0.010220	0.024343	0.034906	0.044645
October										0.014123	0.024686	0.034425
November											0.010563	0.020302
December												0.009739

TABLE B NEW MEXICO: Severance Tax

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.001570	0.002958	0.004192	0.005832	0.007342	0.008883	0.010568	0.012208	0.013804	0.016137	0.017856	0.019599
February		0.001388	0.002622	0.004262	0.005772	0.007313	0.008998	0.010638	0.012234	0.014567	0.016286	0.018029
March			0.001234	0.002874	0.004384	0.005925	0.007610	0.009250	0.010846	0.013179	0.014898	0.016641
April				0.001640	0.003150	0.004691	0.006376	0.008016	0.009612	0.011945	0.013664	0.015407
May					0.001510	0.003051	0.004736	0.006376	0.007972	0.010305	0.012024	0.013767
June						0.001541	0.003226	0.004866	0.006462	0.008795	0.010514	0.012257
July							0.001685	0.003325	0.004921	0.007254	0.008973	0.010716
August								0.001640	0.003236	0.005569	0.007288	0.009031
September									0.001596	0.003929	0.005648	0.007391
October										0.002333	0.004052	0.005795
November											0.001719	0.003462
December												0.001743

TABLE C NEW MEXICO: Administrative Expense

FIRST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021	LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021											
	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000614	0.001294	0.001876	0.002555	0.003282	0.003867	0.004482	0.004996	0.005751	0.006357	0.006903	0.007316
February		0.000680	0.001262	0.001941	0.002668	0.003253	0.003868	0.004382	0.005137	0.005743	0.006289	0.006702
March			0.000582	0.001261	0.001988	0.002573	0.003188	0.003702	0.004457	0.005063	0.005609	0.006022
April				0.000679	0.001406	0.001991	0.002606	0.003120	0.003875	0.004481	0.005027	0.005440
May					0.000727	0.001312	0.001927	0.002441	0.003196	0.003802	0.004348	0.004761
June						0.000585	0.001200	0.001714	0.002469	0.003075	0.003621	0.004034
July							0.000615	0.001129	0.001884	0.002490	0.003036	0.003449
August								0.000514	0.001269	0.001875	0.002421	0.002834
September									0.000755	0.001361	0.001907	0.002320
October										0.000606	0.001152	0.001565
November											0.000546	0.000959
December												0.000413

(SRT 2021 TAX)

SABINE ROYALTY TRUST

Depletion Schedule D-I

The cumulative and noncumulative cost depletion factors reflected in Depletion Schedule D-I should be used to compute 2021 federal cost depletion amounts attributable to Units purchased for which the Unit holder initially became entitled to distributions in 2021. This schedule should not be used to compute depletion for any other Units owned. (See accompanying information for computation instructions.)

**FIRST MONTH
IN WHICH UNITS
WERE OWNED
ON THE MONTHLY
RECORD DATE
IN 2021**

	January	February	March	April	May	June	July	August	September	October	November	December
January	0.012625	0.024470	0.038080	0.050855	0.066185	0.077862	0.091334	0.106446	0.119820	0.135061	0.153997	0.169272
February	—	0.011845	0.025455	0.038230	0.053560	0.065237	0.078709	0.093821	0.107195	0.122436	0.141372	0.156647
March	—	—	0.013610	0.026385	0.041715	0.053392	0.066864	0.081976	0.095350	0.110591	0.129527	0.144802
April	—	—	—	0.012775	0.028105	0.039782	0.053254	0.068366	0.081740	0.096981	0.115917	0.131192
May	—	—	—	—	0.015330	0.027007	0.040479	0.055591	0.068965	0.084206	0.103142	0.118417
June	—	—	—	—	—	0.011677	0.025149	0.040261	0.053635	0.068876	0.087812	0.103087
July	—	—	—	—	—	—	0.013472	0.028584	0.041958	0.057199	0.076135	0.091410
August	—	—	—	—	—	—	—	0.015112	0.028486	0.043727	0.062663	0.077938
September	—	—	—	—	—	—	—	—	0.013374	0.028615	0.047551	0.062826
October	—	—	—	—	—	—	—	—	—	0.015241	0.034177	0.049452
November	—	—	—	—	—	—	—	—	—	—	0.018936	0.034211
December	—	—	—	—	—	—	—	—	—	—	—	0.015275

Depletion Schedule D-II

The non-cumulative cost depletion factors reflected in Depletion Schedule D-II should be used to compute 2021 state cost depletion amounts attributable to Units purchased for which the Unit holder initially became entitled to distributions in any year. The applicable number to use is the number related to the last month in which the units were owned in 2021. (See accompanying information for computation instructions.)

**STATE DEPLETION
FACTORS**

	January	February	March	April	May	June	July	August	September	October	November	December
Florida	0.000085	0.000082	0.000160	0.000172	0.000099	0.000105	0.000103	0.000104	0.000051	0.000112	0.000112	0.000118
Louisiana	0.000103	0.000097	0.000208	0.000104	0.000163	0.000091	0.000116	0.000210	0.000100	0.000123	0.000194	0.000309
Mississippi	0.000182	0.000223	0.000146	0.000197	0.000149	0.000141	0.000157	0.000161	0.000169	0.000159	0.000195	0.000157
New Mexico	0.000393	0.000313	0.000279	0.000382	0.000316	0.000300	0.000361	0.000312	0.000330	0.000429	0.000340	0.000329
Oklahoma	0.001789	0.001176	0.002053	0.002177	0.002129	0.001847	0.001898	0.001692	0.001357	0.002503	0.002165	0.001781
Texas	0.010073	0.009954	0.010764	0.009743	0.012474	0.009193	0.010837	0.012633	0.011367	0.011915	0.015930	0.012581
TOTAL	<u>0.012625</u>	<u>0.011845</u>	<u>0.013610</u>	<u>0.012775</u>	<u>0.015330</u>	<u>0.011677</u>	<u>0.013472</u>	<u>0.015112</u>	<u>0.013374</u>	<u>0.015241</u>	<u>0.018936</u>	<u>0.015275</u>

SABINE ROYALTY TRUST

Depletion Schedule D-III

The cumulative federal cost depletion factors reflected in Depletion Schedule D-III should be used to compute 2021 federal cost depletion amounts attributable to Units purchased for which the Unit holder initially became entitled to distributions in the year stated. For depletion factors relating to the individual states, please use Depletion Schedule D-II on page 14. (See accompanying information for computation instructions.)

LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021

For a Unit acquired of record during the year of:	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
Original Distribution . . . . .	.012469	.024334	.037557	.050102	.065063	.076493	.089683	.104462	.117676	.132532	.151091	.165957
1983 . . . . .	.011427	.022370	.034550	.045826	.059775	.070246	.082442	.096338	.108772	.122405	.139900	.153814
1984 . . . . .	.007179	.014070	.021738	.028813	.037596	.044175	.051844	.060604	.068438	.076998	.088031	.096804
1985 . . . . .	.009680	.018984	.029286	.038816	.050629	.059486	.069814	.081605	.092168	.103690	.118535	.130332
Before March 17, 1986 . . . . .	.007645	.014997	.023131	.030648	.039979	.046971	.055130	.064451	.072804	.081900	.093638	.102961
After March 17, 1986 . . . . .	.005869	.011512	.017749	.023519	.030676	.036039	.042299	.049447	.055856	.062835	.071833	.078984
1987 . . . . .	.008100	.015883	.024508	.032484	.042371	.049784	.058430	.068300	.077142	.086786	.099212	.109087
1988 . . . . .	.008753	.017126	.026463	.035116	.045801	.053829	.063176	.073812	.083326	.093778	.107171	.117822
1989 . . . . .	.008385	.016364	.025329	.033674	.043898	.051613	.060565	.070702	.079754	.089801	.102567	.112729
1990 . . . . .	.007933	.015471	.023952	.031859	.041520	.048818	.057288	.066868	.075418	.084925	.096978	.106586
1991 . . . . .	.007392	.014362	.022222	.029624	.038552	.045341	.053209	.062038	.069926	.078794	.089874	.098748
1992 . . . . .	.008681	.016765	.025997	.034746	.045218	.053225	.062462	.072734	.081900	.092384	.105288	.115617
1993 . . . . .	.008871	.017136	.026595	.035582	.046260	.054445	.063886	.074375	.083713	.094422	.107572	.118140
1994 . . . . .	.007785	.015032	.023419	.031378	.040784	.048007	.056313	.065541	.073709	.083138	.094704	.104019
1995 . . . . .	.008354	.016120	.025194	.033861	.043941	.051733	.060659	.070529	.079223	.089371	.101727	.111700
1996 . . . . .	.008008	.015328	.024040	.032418	.042065	.049573	.058127	.067481	.075693	.085504	.097219	.106692
1997 . . . . .	.011186	.021542	.033705	.045317	.058823	.069267	.081219	.094420	.106030	.119647	.136169	.149525
1998 . . . . .	.012050	.023224	.036277	.048756	.063272	.074500	.087349	.101536	.114038	.128675	.146438	.160788
1999 . . . . .	.012365	.023903	.037249	.049941	.064795	.076234	.095823	.110433	.123310	.138227	.156452	.171300
2000 . . . . .	.012207	.023639	.036713	.049270	.063803	.075055	.087974	.102277	.114935	.129591	.147416	.161936
2001 . . . . .	.011975	.022889	.035800	.048373	.062455	.073530	.086138	.099858	.111830	.126338	.143263	.157429
2002 . . . . .	.012116	.023292	.036406	.049099	.063447	.074669	.087500	.101573	.113891	.128539	.145949	.160377
2003 . . . . .	.012113	.023189	.036213	.048821	.063191	.074406	.087226	.101277	.113649	.128293	.145760	.160083

SABINE ROYALTY TRUST

Depletion Schedule D-III

The cumulative federal cost depletion factors reflected in Depletion Schedule D-III should be used to compute 2021 federal cost depletion amounts attributable to Units purchased for which the Unit holder initially became entitled to distributions in the year stated. For depletion factors relating to the individual states, please use Depletion Schedule D-II on page 14. (See accompanying information for computation instructions.)

LAST MONTH IN WHICH UNITS WERE OWNED ON THE MONTHLY RECORD DATE IN 2021

For a Unit acquired of record during the year of:	2021											
	January	February	March	April	May	June	July	August	September	October	November	December
2004 . . . . .	.012072	.023338	.036330	.048797	.063161	.074295	.087082	.101238	.113710	.128225	.145810	.160240
2005 . . . . .	.012128	.023375	.036476	.049110	.063545	.074787	.087647	.101798	.114234	.128891	.146482	.160905
2006 . . . . .	.012036	.023214	.036174	.048604	.062929	.074036	.086786	.100881	.113280	.127784	.145279	.159675
2007 . . . . .	.011752	.022723	.035369	.047480	.061499	.072326	.084792	.098641	.110847	.124976	.142174	.156288
2008 . . . . .	.011478	.022240	.034584	.046325	.060045	.070604	.082778	.096359	.108335	.122104	.138978	.152811
2009 . . . . .	.011492	.022235	.034620	.046365	.060121	.070696	.082870	.096459	.108411	.122215	.139094	.152980
2010 . . . . .	.011837	.022965	.035791	.047796	.062029	.072884	.085432	.099598	.111998	.126164	.143699	.158252
2011 . . . . .	.011739	.022796	.035433	.047283	.061349	.072071	.084493	.098519	.110843	.124847	.142201	.156597
2012 . . . . .	.011936	.023205	.036081	.048117	.062445	.073354	.086002	.100297	.112880	.127120	.144836	.159466
2013 . . . . .	.011980	.023287	.036286	.048402	.062810	.073769	.086469	.100876	.113467	.127764	.145556	.160392
2014 . . . . .	.011881	.023064	.035956	.048025	.062309	.073206	.085813	.100053	.112512	.126725	.144338	.158968
2015 . . . . .	.012038	.023316	.036299	.048549	.062991	.074053	.086819	.101133	.113718	.128160	.145928	.160563
2016 . . . . .	.012151	.023544	.036677	.049027	.063644	.074818	.087719	.102211	.114944	.129530	.147530	.162344
2017 . . . . .	.012201	.023583	.036818	.049223	.063959	.075210	.088187	.102761	.115537	.130244	.148358	.163267
2018 . . . . .	.012285	.023748	.037064	.049547	.064386	.075713	.088778	.103454	.116325	.131129	.149373	.164379
2019 . . . . .	.012638	.024530	.038160	.050947	.066225	.077866	.091320	.106459	.119825	.135006	.153898	.169267
2020 . . . . .	.015347	.030152	.046620	.061817	.080521	.094552	.110931	.129707	.146421	.164641	.188161	.207065

SABINE ROYALTY TRUST

Depletion Schedule D-IV

The noncumulative and cumulative depletion factors reflected in Depletion Schedule D-IV should be used to compute 2021 Federal percentage depletion amounts attributable to Units purchased for which the Unit holder initially became entitled to distributions in any year. (See accompanying information for computation instructions.)

**FIRST MONTH
IN WHICH UNITS
WERE OWNED
ON THE MONTHLY
RECORD DATE
IN 2021**

	January	February	March	April	May	June	July	August	September	October	November	December
JANUARY	0.033966	0.064751	0.104579	0.147587	0.194188	0.245974	0.296032	0.351269	0.400792	0.460194	0.527823	0.589105
FEBRUARY		0.030785	0.070613	0.113621	0.160222	0.212008	0.262066	0.317303	0.366826	0.426228	0.493857	0.555139
MARCH			0.039828	0.082836	0.129437	0.181223	0.231281	0.286518	0.336041	0.395443	0.463072	0.524354
APRIL				0.043008	0.089609	0.141395	0.191453	0.246690	0.296213	0.355615	0.423244	0.484526
MAY					0.046601	0.098387	0.148445	0.203682	0.253205	0.312607	0.380236	0.441518
JUNE						0.051786	0.101844	0.157081	0.206604	0.266006	0.333635	0.394917
JULY							0.050058	0.105295	0.154818	0.214220	0.281849	0.343131
AUGUST								0.055237	0.104760	0.164162	0.231791	0.293073
SEPTEMBER									0.049523	0.108925	0.176554	0.237836
OCTOBER										0.059402	0.127031	0.188313
NOVEMBER											0.067629	0.128911
DECEMBER												0.061282

**SCHEDULE E
(Form 1040)**

Supplemental Income and Loss
(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2021
Attachment
Sequence No. **13**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041.
▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

Name(s) shown on return

Your social security number

Part I Income or Loss From Rental Real Estate and Royalties Note: If you are in the business of renting personal property, use Schedule C. See instructions. If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2021 that would require you to file Form(s) 1099? See instructions Yes No
B If "Yes," did you or will you file required Form(s) 1099? Yes No

Name of Royalty →

1a Physical address of each property (street, city, state, ZIP code)

A	
B	
C	

1b	Type of Property (from list below)	2	Fair Rental Days	Personal Use Days	QJV
A		For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	A		<input type="checkbox"/>
B			B		<input type="checkbox"/>
C			C		<input type="checkbox"/>

Type of Property:
1 Single Family Residence **3** Vacation/Short-Term Rental **5** Land **7** Self-Rental
2 Multi-Family Residence **4** Commercial **6** Royalties **8** Other (describe)

Gross Royalty Income →

Income:	Properties:	A	B	C
3 Rents received	3			
4 Royalties received	4			

Severance Tax →

Depletion →

Administrative Expenses →

Expenses:

5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see instructions)	12			
13 Other interest	13			
14 Repairs	14			
15 Supplies	15			
16 Taxes	16			
17 Utilities	17			
18 Depreciation expense or depletion	18			
19 Other (list) ▶	19			
20 Total expenses. Add lines 5 through 19	20			

21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file **Form 6198** **21**

22 Deductible rental real estate loss after limitation, if any, on **Form 8582** (see instructions) **22** () () ()

23a Total of all amounts reported on line 3 for all rental properties	23a			
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d			
e Total of all amounts reported on line 20 for all properties	23e			

24 **Income.** Add positive amounts shown on line 21. **Do not** include any losses **24**

25 **Losses.** Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here **25** ()

26 **Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 5. Otherwise, include this amount in the total on line 41 on page 2 **26**

**SCHEDULE B
(Form 1040)**

Interest and Ordinary Dividends

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleB for instructions and the latest information.
▶ Attach to Form 1040 or 1040-SR.

2021
Attachment
Sequence No. **08**

Name(s) shown on return

Your social security number

Interest Income →

			Amount
Part I Interest (See instructions and the Instructions for Form 1040, line 2b.) Note: If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.	1	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ▶	1
	2	Add the amounts on line 1	2
	3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815	3
	4	Subtract line 3 from line 2. Enter the result here and on Form 1040 or 1040-SR, line 2b ▶	4
	Note: If line 4 is over \$1,500, you must complete Part III.		

			Amount
Part II Ordinary Dividends (See instructions and the Instructions for Form 1040, line 3b.) Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.	5	List name of payer ▶	5
	6	Add the amounts on line 5. Enter the total here and on Form 1040 or 1040-SR, line 3b ▶	6

		Yes	No	
Part III Foreign Accounts and Trusts Caution: If required, failure to file FinCEN Form 114 may result in substantial penalties. See instructions.	You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.			
	7a	At any time during 2021, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements		
	b	If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ▶		
8	During 2021, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions			

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

Department of the Treasury
Internal Revenue Service

▶ **Attach to your tax return.**
 ▶ **Go to www.irs.gov/Form4797 for instructions and the latest information.**

Attachment
Sequence No. **27**

Name(s) shown on return	Identifying number
-------------------------	--------------------

- 1a** Enter the gross proceeds from sales or exchanges reported to you for 2021 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions **1a**
- b** Enter the total amount of gain that you are including on lines 2, 10, and 24 due to the partial dispositions of MACRS assets. **1b**
- c** Enter the total amount of loss that you are including on lines 2 and 10 due to the partial dispositions of MACRS assets **1c**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

- 3** Gain, if any, from Form 4684, line 39 **3**
- 4** Section 1231 gain from installment sales from Form 6252, line 26 or 37 **4**
- 5** Section 1231 gain or (loss) from like-kind exchanges from Form 8824. **5**
- 6** Gain, if any, from line 32, from other than casualty or theft **6**
- 7** Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows **7**

Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

- 8** Nonrecaptured net section 1231 losses from prior years. See instructions **8**
- 9** Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions. **9**

Part II Ordinary Gains and Losses (see instructions)

- 10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):
- | | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

- 11** Loss, if any, from line 7 **11** ()
- 12** Gain, if any, from line 7 or amount from line 8, if applicable **12**
- 13** Gain, if any, from line 31 **13**
- 14** Net gain or (loss) from Form 4684, lines 31 and 38a **14**
- 15** Ordinary gain from installment sales from Form 6252, line 25 or 36 **15**
- 16** Ordinary gain or (loss) from like-kind exchanges from Form 8824 **16**
- 17** Combine lines 10 through 16. **17**

- 18** For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.
 - a** If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions **18a**
 - b** Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4 **18b**

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	Gain or Loss on Units Sold			
			Property A	Property B	Property C	Property D
A						
B						
C						
D						
These columns relate to the properties on lines 19A through 19D. ▶						
20 Gross sales price (Note: See line 1a before completing.)	20					
21 Cost or other basis plus expense of sale	21					
22 Depreciation (or depletion) allowed or allowable	22					
23 Adjusted basis. Subtract line 22 from line 21.	23					
24 Total gain. Subtract line 23 from line 20	24					
25 If section 1245 property:						
a Depreciation allowed or allowable from line 22	25a					
b Enter the smaller of line 24 or 25a.	25b					
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.						
a Additional depreciation after 1975. See instructions	26a					
b Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions.	26b					
c Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e	26c					
d Additional depreciation after 1969 and before 1976.	26d					
e Enter the smaller of line 26c or 26d	26e					
f Section 291 amount (corporations only)	26f					
g Add lines 26b, 26e, and 26f	26g					
27 If section 1252 property: Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.						
a Soil, water, and land clearing expenses	27a					
b Line 27a multiplied by applicable percentage. See instructions	27b					
c Enter the smaller of line 24 or 27b	27c					
28 If section 1254 property:						
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a					
b Enter the smaller of line 24 or 28a.	28b					
29 If section 1255 property:						
a Applicable percentage of payments excluded from income under section 126. See instructions	29a					
b Enter the smaller of line 24 or 29a. See instructions	29b					
Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.						
30 Total gains for all properties. Add property columns A through D, line 24	30					
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31					
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32					

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years.	33	
34 Recomputed depreciation. See instructions	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

SABINE ROYALTY TRUST TAX COMPUTATION WORKSHEET

2021

(RETAIN THIS WORKPAPER AS PART OF YOUR PERMANENT TAX RECORDS)

Part I

INCOME AND EXPENSE

<u>Item</u>	<u>A</u> Number of Units Owned (Note 1)	×	<u>B</u> Income/Expense Per Unit from Appropriate Schedule(s) (Note 2)	=	<u>C</u> <u>Totals</u>	<u>Where to Reflect on</u> <u>2021 Form 1040 (Note 3)</u>
Gross Royalty Income	_____	×	_____	=	_____	Line 4, Part I, Schedule E
Severance Tax	_____	×	_____	=	_____	Line 16, Part I, Schedule E
Interest Income	_____	×	_____	=	_____	Line 1, Part I, Schedule B
Administrative Expense	_____	×	_____	=	_____	Line 19, Part I, Schedule E

Part II

COST DEPLETION (Note 4)

<u>Original Basis</u>	-	<u>Cost Depletion Allowable in Prior Calendar Years (Note 5)</u>	=	<u>Adjusted Basis for Cost Depletion Purposes</u>	×	<u>Appropriate 2021 Cost Depletion Factor (Note 4)</u>	=	<u>2021 Cost Depletion</u>
_____	-	_____	=	_____	×	_____	=	_____

*Reflect cost depletion on 2021 Form 1040, line 18, Part 1, Schedule E (Note 3).

Part III

COMPUTATION OF GAIN OR (LOSS) FOR UNITS SOLD

<u>Net Sales Price</u>	-	<u>Adjusted Basis (Note 6)</u>	=	<u>Gain (Loss)</u>	<u>Where to Reflect on</u> <u>2021 Form 1040 (Note 3)</u>
_____	-	_____	=	_____	Form 4797 Part III, Lines 19-24 and Schedule D

Notes

- (1) In order to correctly calculate total income and expense to be reported on your 2021 federal and, if applicable, state income tax returns, it is recommended that you reproduce and complete a separate Tax Computation Worksheet for each block of Units acquired and disposed of at different times, as different factors apply depending on when Units were acquired or disposed of. If more than one Tax Computation Worksheet is required, the separate amounts from each Tax Computation Worksheet should be added together and those aggregate numbers reported on your 2021 income tax returns.
- (2) If you did not become a Unit holder of record of any Unit(s) or did not cease to be a Unit holder of record of any Unit(s) during the period from January 15, 2021 through December 15, 2021, then the amounts reflected on the cumulative schedule for 2021 (located on page 5) should be used to complete Part I. See Comprehensive Example 1 on page 23. If any Units were held of record for only part of the period defined above, then the appropriate federal income and expense factors for Part I can be determined by using Tables I-IV (on pages 6 and 7) by locating the factor at the intersection of the first and last month in which the Units were owned by the Unit holder on the Monthly Record Date in 2021. See Comprehensive Examples 2 and 3 on pages 24 and 25 for further explanation. The appropriate state income and expense factors can be determined by using the state tables in the same manner, which are located on pages 8 through 13.
- (3) The Trustee believes that individual Unit holders owning the Units as an investment should report the amounts determined in this manner. See Sample Tax Forms on pages 18-21. The U.S. Corporation Income Tax Return (Form 1120) does not require that royalty income and related expenses be separately identified on any specific schedules. See "Sale or Exchange of Units" on page A-4 for a discussion of the tax consequences resulting from the sale of a Unit.
- (4) The appropriate depletion schedule(s) to be utilized depends on when the Units were acquired. See "Computing Depletion" on page 2 to determine the proper schedule(s) to be used. This worksheet assumes a Unit holder will take the cost depletion deduction. Some Unit holders may be entitled to a percentage depletion deduction in lieu of a cost depletion deduction, in which case Depletion Schedule D-IV (on page 17) should be used to compute such Unit holder's depletion deduction for purposes of Part II of this worksheet. See page 2 and A-2-A-3 of this booklet for additional information regarding depletion deductions.
- (5) Cost depletion allowable in prior calendar years cannot be computed from the schedules contained in this booklet. Depletion schedules contained in Sabine Royalty Trust Tax Information Booklet(s) from prior years should be used to determine the appropriate cost depletion amount(s) allowable in prior calendar years.
- (6) The adjusted basis is equal to the cost or other basis of the Unit(s) less the cost depletion allowable from the date of acquisition through the date of sale (whether or not deducted).

(SRT 2021 TAX)

COMPREHENSIVE EXAMPLE 1

The following example illustrates the computations necessary for an individual to determine income and expense attributable to Units acquired in March of 1984 and held throughout 2021.

COMPUTATION OF INCOME AND EXPENSE FOR UNITS OWNED ON ALL MONTHLY RECORD DATES IN 2021

**SABINE ROYALTY TRUST
TAX COMPUTATION WORKSHEET**

2021

(RETAIN THIS WORKPAPER AS PART OF YOUR PERMANENT TAX RECORDS)

**Part I
INCOME AND EXPENSE**

<u>Item</u>	<u>A</u> <u>Number of</u> <u>Units Owned</u> <u>(Note 1)</u>		<u>B</u> <u>Income/Expense</u> <u>Per Unit</u> <u>from Appropriate</u> <u>Schedule(s)</u> <u>(Note 2)</u>	<u>C</u> <u>Totals</u>	<u>Where to Reflect on</u> <u>2021 Form 1040 (Note 3)</u>
Gross Royalty Income	100	×	\$3.927351	= \$392.74	Line 4, Part I, Schedule E
Severance Tax	100	×	\$.464503	= \$ 46.45	Line 16, Part I, Schedule E
Interest Income	100	×	\$.000839	= \$ 0.08	Line 1, Part I, Schedule B
Administrative Expense	100	×	\$.246119	= \$ 24.61	Line 19, Part I, Schedule E

**Part II
COST DEPLETION (Note 4)**

<u>Assumed</u> <u>Original Basis*</u>		<u>Cost Depletion</u> <u>Allowable in Prior</u> <u>Calendar Years</u> <u>(Notes 4 and 5)</u>	<u>Adjusted Basis for</u> <u>Cost Depletion</u> <u>Purposes</u>		<u>Appropriate 2021</u> <u>Cost Depletion Factor</u> <u>per Depletion</u> <u>Schedule D-III</u>	<u>2021 Cost Depletion**</u>
\$2,100.00	-	\$2,076.06	\$23.94	×	.096804	\$2.32

*This number is used for example purposes only. Each Unit holder's basis is unique to that specific Unit holder.

**Reflect cost depletion on 2021 Form 1040, line 18, Part 1, Schedule E (Note 3).

See Page 22 for Applicable Notes.

COMPREHENSIVE EXAMPLE 2

The following example illustrates the computations necessary for an individual to determine income and expenses and gain or loss on Units acquired in 1984 and disposed of during 2021. The factors in this example are located at the intersection of January and March on the appropriate tables (i.e., the first and last month of 2021 in which Units were owned on Monthly Record Dates).

<u>Acquisition Date</u>	<u>Units Acquired</u>	<u>Original Basis</u>	<u>Sales Date</u>	<u>Units Sold</u>	<u>Sales Price</u>
03-21-84	100	\$2,100.00	04-1-21	100	\$3,068.00

COMPUTATION OF INCOME AND EXPENSE FOR UNITS SOLD IN 2021

SABINE ROYALTY TRUST TAX COMPUTATION WORKSHEET

2021

(RETAIN THIS WORKPAPER AS PART OF YOUR PERMANENT TAX RECORDS)

Part I

INCOME AND EXPENSE

<u>Item</u>	<u>A</u> <u>Number of</u> <u>Units Owned</u> <u>(Note 1)</u>	×	<u>B</u> <u>Income/Expense Per Unit</u> <u>from Appropriate</u> <u>Schedule(s)</u> <u>(Note 2)</u>	=	<u>C</u> <u>Totals</u>	<u>Where to Reflect on</u> <u>2021 Form 1040 (Note 3)</u>
Gross Royalty Income	100	×	\$697194	=	\$69.72	Line 4, Part I, Schedule E
Severance Tax	100	×	\$101297	=	\$10.13	Line 16, Part I, Schedule E
Interest Income	100	×	\$.000227	=	\$.02	Line 1, Part I, Schedule B
Administrative Expense	100	×	\$.062704	=	\$ 6.27	Line 19, Part I, Schedule E

Part II

COST DEPLETION (Notes 4 and 5)

<u>Assumed</u> <u>Original Basis*</u>	-	<u>Cost Depletion</u> <u>Allowable in Prior</u> <u>Calendar Years</u> <u>(Note 5)</u>	=	<u>Adjusted Basis for</u> <u>Cost Depletion</u> <u>Purposes</u>	×	<u>Appropriate 2021</u> <u>Cost Depletion Factor</u> <u>per Depletion</u> <u>Schedule D-III</u>	=	<u>2021 Cost Depletion**</u>
\$2,100.00	-	\$2,076.06	=	\$23.94	×	.021738	=	\$.52

*This number is used for example purposes only. Each Unit holder's basis is unique to that specific Unit holder.

**Reflect cost depletion on 2021 Form 1040, line 18, Part 1, Schedule E (Note 3).

Part III

COMPUTATION OF GAIN OR (LOSS) FOR UNITS SOLD

<u>Net Sales</u> <u>Price</u>	-	<u>Adjusted Basis</u> <u>(Note 6)</u>	=	<u>Gain</u> <u>(Loss)</u>	<u>Where to Reflect on</u> <u>2021 Form 1040</u> <u>(Note 3)</u>
\$3,068.00	-	\$23.42	=	\$3,044.58	Form 4797, Part III, Lines 19-24 and Schedule D

See Page 22 for Applicable Notes.

COMPREHENSIVE EXAMPLE 3

The following example illustrates the computations necessary for an individual to determine income and expenses and gain or loss on Units acquired and disposed of during 2021. The factors in this example are located at the intersection of April and September on the appropriate tables (i.e., the first and last month of 2021 in which Units were owned on monthly Record Dates).

<u>Acquisition Date</u>	<u>Units Acquired</u>	<u>Original Basis</u>	<u>Sales Date</u>	<u>Units Sold</u>	<u>Sales Price</u>
03-25-21	100	\$3,008.00	09-24-21	100	\$4,195.00

COMPUTATION OF INCOME AND EXPENSE FOR UNITS ACQUIRED AND SOLD IN 2021

SABINE ROYALTY TRUST TAX COMPUTATION WORKSHEET

2021

(RETAIN THIS WORKPAPER AS PART OF YOUR PERMANENT TAX RECORDS)

Part I

INCOME AND EXPENSE

<u>Item</u>	<u>A</u> <u>Number of</u> <u>Units Owned</u> <u>(Note 1)</u>	×	<u>B</u> <u>Income/Expense Per Unit</u> <u>from Appropriate</u> <u>Schedule(s)</u> <u>(Note 2)</u>	=	<u>C</u> <u>Totals</u>	<u>Where to Reflect on</u> <u>2021 Form 1040 (Note 3)</u>
Gross Royalty Income	100	×	\$1.974741	=	\$197.47	Line 4, Part I, Schedule E
Severance Tax	100	×	\$.194693	=	\$ 19.47	Line 16, Part I, Schedule E
Interest Income	100	×	\$.000491	=	\$.05	Line 1, Part I, Schedule B
Administrative Expense	100	×	\$.125807	=	\$ 12.58	Line 19, Part I, Schedule E

Part II

COST DEPLETION (Notes 4 and 5)

<u>Assumed</u> <u>Original Basis*</u>	-	<u>Cost Depletion</u> <u>Allowable in Prior</u> <u>Calendar Years</u> <u>(Note 5)</u>	=	<u>Adjusted Basis for</u> <u>Cost Depletion</u> <u>Purposes</u>	×	<u>Appropriate 2021</u> <u>Cost Depletion Factor</u> <u>per Depletion</u> <u>Schedule D-I</u>	=	<u>2021 Cost Depletion**</u>
\$3,008.00	-	\$0.00	=	\$3,008.00	×	.081740	=	\$245.87

*This number is used for example purposes only. Each Unit holder's basis is unique to that specific Unit holder.

**Reflect cost depletion on 2021 Form 1040, line 18, Part 1, Schedule E (Notes 4 and 5).

Part III

COMPUTATION OF GAIN OR (LOSS) FOR UNITS SOLD

<u>Net Sales</u> <u>Price</u>	-	<u>Adjusted Basis</u> <u>(Note 6)</u>	=	<u>Gain</u> <u>(Loss)</u>	<u>Where to Reflect on</u> <u>2021 Form 1040</u> <u>(Note 3)</u>
\$4,195.00	-	\$2,762.13	=	\$1,432.87	Form 4797, Part II, Line 10 and Schedule D

See Page 22 for Applicable Notes.

SABINE ROYALTY TRUST HISTORICAL TAX WORKSHEET

	<u>GROSS INCOME</u>	<u>WINDFALL PROFIT TAX</u>	<u>SEVERANCE TAX</u>	<u>NET ROYALTY PMTS</u>	<u>INTEREST INCOME</u>	<u>ADMIN. EXPENSE</u>	<u>MISC. INCOME/ EXPENSE</u>	<u>NET CASH DISTRIB</u>
1983	2.721361	0.316613	0.155445	2.249303	0.019377	0.086800	0.000000	2.181880
1984	3.496106	0.323679	0.196022	2.976405	0.031846	0.155652	0.000000	2.852599
1985	2.853378	0.190767	0.171256	2.491355	0.021277	0.169099	-0.005487	2.338046
1986	1.807003	0.041149	0.114513	1.651341	0.012242	0.184580	0.005487	1.484490
1987	1.648950	0.000209	0.095558	1.553183	0.010601	0.127094	0.000000	1.436690
1988	1.556021	0.000077	0.101561	1.454383	0.010753	0.098526	0.000000	1.366610
1989	1.594196	0.000028	0.131330	1.462838	0.013627	0.096295	0.000000	1.380170
1990	1.748059	0.000000	0.155821	1.592238	0.014058	0.075026	0.000000	1.531270
1991	1.810596	0.000000	0.188955	1.621641	0.010622	0.084643	0.000000	1.547620
1992	1.556025	0.000000	0.132087	1.423938	0.005520	0.135228	0.000000	1.294230
1993	1.751674	0.000000	0.126197	1.625477	0.005316	0.169163	0.000000	1.461630
1994	1.422338	0.000000	0.094300	1.328038	0.005172	0.135390	0.000000	1.197820
1995	1.257833	0.000000	0.086219	1.171614	0.007424	0.151878	0.000000	1.027160
1996	1.650891	0.000000	0.102044	1.548847	0.009748	0.187465	0.000000	1.371130
1997	1.955335	0.000000	0.144324	1.811011	0.010812	0.177263	0.000000	1.644560
1998	1.937789	0.000000	0.123769	1.814020	0.011159	0.171521	0.000000	1.653658
1999	1.663391	0.000000	0.115700	1.547691	0.008112	0.148838	0.000000	1.406965
2000	2.586743	0.000000	0.157354	2.429389	0.016044	0.170794	0.000000	2.274639
2001	3.240755	0.000000	0.210965	3.029790	0.014627	0.183788	0.000000	2.860629
2002	2.175093	0.000000	0.125845	2.049248	0.003150	0.173568	0.000000	1.878830
2003	2.930078	0.000000	0.214244	2.715834	0.003272	0.196541	0.000000	2.522565
2004	3.277066	0.000000	0.271605	3.005461	0.003421	0.222941	0.000000	2.785941
2005	3.874801	0.000000	0.304563	3.570238	0.011804	0.150250	0.000000	3.431792
2006	4.733425	0.000000	0.376823	4.356602	0.024294	0.144170	0.000000	4.236726
2007	4.334040	0.000000	0.361711	3.972329	0.023849	0.145689	0.000000	3.850489
2008	6.587048	0.000000	0.421450	6.165598	0.020735	0.150146	0.000000	6.036187
2009	3.162408	0.000000	0.218949	2.943459	0.001744	0.153550	0.000000	2.791653
2010	4.153492	0.000000	0.308146	3.845346	0.000306	0.141111	0.000000	3.704541
2011	4.436046	0.000000	0.325610	4.110436	0.000442	0.144662	0.000000	3.966216
2012	4.202320	0.000000	0.345350	3.856970	0.000538	0.156560	0.000000	3.700948
2013	4.375012	0.000000	0.313302	4.061710	0.000727	0.145937	0.000000	3.916500
2014	4.714152	0.000000	0.453105	4.261047	0.000306	0.163512	0.000000	4.097841
2015	3.832441	0.000000	0.513743	3.318698	0.000134	0.213553	0.000000	3.105279
2016	2.465843	0.000000	0.345994	2.119849	0.000512	0.186268	0.000000	1.934093
2017	2.907278	0.000000	0.368102	2.539176	0.002629	0.173375	0.000000	2.368430
2018	3.960900	0.000000	0.443944	3.516956	0.009398	0.177247	0.000000	3.349107
2019	3.652966	0.000000	0.452339	3.200627	0.012269	0.193051	0.000000	3.019845
2020	3.059226	0.000000	0.438554	2.620672	0.002651	0.226609	0.000000	2.396714
2021	3.927351	0.000000	0.464503	3.462848	0.000839	0.246119	0.000000	3.217568

SABINE ROYALTY TRUST

DISCUSSION OF TAX CONSIDERATIONS PERTAINING TO THE OWNERSHIP OF UNITS IN SABINE ROYALTY TRUST

The tax law requires individuals, estates, trusts, closely held C corporations and personal service corporations to categorize income and expense into one of three classes, “active,” “portfolio” or “passive,” based upon the nature of the activity and the involvement of the taxpayer in such activity. Because the Trust is a grantor trust, the Unit holders are deemed to hold the investment in the royalty interests directly and the proper classification of the Trust income and expense will be dependent upon the relevant facts and circumstances of each Unit holder. Generally, income or loss resulting from an interest in the Trust is properly classified as portfolio income and as such can be reported as directed on the Tax Computation Worksheet (page 22). However, under certain limited circumstances a different tax classification may be appropriate. Accordingly, Unit holders should consult their own tax advisor regarding all tax compliance matters related to the Units.

Tax Background and WHFIT Information

The Trust was established by the Sabine Corporation Royalty Trust Agreement (the “Trust Agreement”), made and entered into effective as of December 31, 1982, to receive a distribution from Sabine Corporation (“Sabine”) of royalty and mineral interests, including landowner’s royalties, overriding royalty interests, minerals (other than executive rights, bonuses and delay rentals), production payments and any other similar, nonparticipatory interests, in certain producing and proved undeveloped oil and gas properties located in Florida, Louisiana, Mississippi, New Mexico, Oklahoma and Texas.

Sabine received a private letter ruling from the Internal Revenue Service, dated May 2, 1983 (the “Ruling”), concerning certain tax considerations relevant to the creation and continued existence of the Trust. Pursuant to the Ruling, the Trust is classified for federal income tax purposes as a “grantor trust” and not as an association taxable as a corporation. A grantor trust is not subject to federal income tax. Instead, its beneficiaries (the Unit holders in the case of the Trust) are generally considered to own the trust’s income and principal as though no trust were in existence. A grantor trust files an information return reflecting all items of income and/or deductions that will be included in the returns of the beneficiaries. Accordingly, each Unit holder of the Trust is taxable on his pro rata share of the Trust’s income and/or deductions.

The income received or accrued and the deductions paid or incurred by the Trust are deemed to be received or accrued and paid or incurred, respectively, by each Unit holder at the same time as the Trust, which is on each Monthly Record Date. On the basis of both the Trust Agreement and the escrow agreement (discussed below), both cash and accrual basis Unit holders should be treated as realizing income and incurring expenses only on the Monthly Record Dates.

Some Trust Units are held by middlemen, as such term is broadly defined in U.S. Treasury Regulations (and includes custodians, nominees, certain joint owners, and brokers holding an interest for a customer in street name, referred to herein collectively as “middlemen”). Therefore, the Trustee considers the Trust to be a non-mortgage widely held fixed investment trust (“WHFIT”) for U.S. federal income tax purposes. Simmons Bank, EIN: 71-0407808, 2911 Turtle Creek Blvd, Ste. 850, Dallas, Texas, 75219, telephone number 1-855-588-7839, email address trustee@sbr-sabine.com, is the representative of the Trust that will provide tax information in accordance with applicable U.S. Treasury Regulations governing the information reporting requirements of the Trust as a WHFIT. Tax information is also posted by the Trustee at www.sbr-sabine.com. Notwithstanding the foregoing, the middlemen holding Trust Units on behalf of Unit holders, and not the Trustee of the Trust, are solely responsible for complying with the information reporting requirements under the U. S. Treasury Regulations with respect to such Trust Units, including the issuance of IRS Forms 1099 and certain written tax statements. Unit holders whose Trust Units are held by middlemen should consult with such middlemen regarding the information that will be reported to them by the middlemen with respect to the Trust Units.

Effect of Escrow Arrangement

The assets of the Trust include royalty and mineral interests in certain producing and proved undeveloped oil and gas properties (the "Properties"), which constitute economic interests in gross production of oil, gas and other minerals free of the costs of production. The Properties are located in six states and were not carved out of any of Sabine's working interests in effecting the distribution. In order to facilitate the administration of the Trust and to avoid the expense and inconvenience of daily reporting to Unit holders, the Properties are subject to an escrow agreement, for which the Trustee currently serves as escrow agent.

Pursuant to the terms of the escrow agreement and the conveyances of the Properties by Sabine, the proceeds of production from the Properties for each calendar month, and interest thereon, are collected by the escrow agent and are paid to and received by the Trust only on the next Monthly Record Date. The escrow agent has agreed to endeavor to assure that it incurs and pays expenses for each calendar month only on the Monthly Record Date. The Trust Agreement also provides that the Trustee is to endeavor to assure that income of the Trust will be accrued and received and that expenses of the Trust will be incurred and paid only on each Monthly Record Date. Assuming the escrow arrangement is respected for federal income tax purposes and the Trustee, as escrow agent, is able to control the timing of income and expenses, as stated above, both cash and accrual basis Unit holders will be treated as realizing income and incurring expenses only on each Monthly Record Date. The Trustee is treating the escrow arrangement as effective for tax purposes and the accompanying tax information has been presented accordingly.

If the escrow arrangement is not respected for federal income tax purposes, a mismatching of income and deductions could occur between a transferor and a transferee upon the sale or exchange of Units. In addition, the Trustee would be required to report the proceeds from production, interest income thereon, and any deductions to the Unit holders on a daily basis, resulting in a substantial increase in the administrative expenses of the Trust.

Depletion

Cost Depletion

Pursuant to the Ruling, each Unit holder is entitled to deduct cost depletion with respect to his pro rata interest in the Properties. A Unit holder's cost depletion deduction is computed by reference to the Unit holder's adjusted basis in each of his Units.

The deduction for cost depletion must be computed by a Unit holder with respect to each separate property in the Trust. A Unit holder's tax basis in each separate property generally must be determined at the time each Unit is acquired by allocating such Unit holder's cost in each Unit among all properties in the Trust based on their relative fair market values. However, a corporate Unit holder that acquired Units in the distribution from Sabine must determine its tax basis in each separate property in the Trust at the time of the distribution by reference to Sabine's tax basis in each separate property included in the distribution. The cost depletion deduction attributable to each separate property is calculated for a taxable year by multiplying the tax basis of the property by the appropriate factor reported herein. The factors are derived by dividing total estimated equivalent units of production (barrels of oil and MCF's of gas) expected to be recovered from the property as of the beginning of the taxable year by the number of equivalent units produced and sold from such property during the taxable year. The resulting deduction for cost depletion cannot exceed the adjusted tax basis in the property. The composite depletion factors presented herein were derived in a manner that encompasses this separate property concept.

Percentage Depletion

The Revenue Reconciliation Act of 1990 repealed the rules denying percentage depletion to a transferee of a proven oil or gas property for transfers after October 11, 1990. Because substantially all of the properties were "proven properties" on the date of the original distribution, the percentage depletion deduction has limited applicability to Unit holders who became Unit holders prior to October 12, 1990.

A computation of percentage depletion has been made with respect to the post October 11, 1990 transfers. For some Unit holders, percentage depletion may exceed cost depletion. In such case, a Unit holder is entitled to a percentage depletion deduction in lieu of a cost depletion deduction. Percentage depletion will continue to be computed and compared to cost depletion on an annual basis for Unit holders that acquired their Units via applicable transfers occurring after October 11, 1990.

Adjustment to Basis

Each Unit holder should reduce his tax basis (but not below zero) in the Properties (and correspondingly, his Units) (i) by the amount of cost depletion and percentage depletion allowable with respect to the Properties and (ii) by the amount of any return of capital.

Non-Passive Activity Income, Credits and Loss

The income and expenses of the Trust will not be taken into account in computing the passive activity losses and income under Section 469 of the Code for a Unit holder who acquires and holds Units as an investment and not in the ordinary course of a trade or business.

Revenue/Expense and Depletion Calculators

For your convenience, revenue/expense and cost depletion calculators are now available on the Sabine Royalty Trust website at: www.sbr-sabine.com, on both the “Home” page and the “Tax Information” page.

Nonresident Foreign Unit Holders

Nonresident alien individual and foreign corporation Unit holders (“Foreign Taxpayer(s)”), in general, are subject to tax on the gross income attributable to the Trust at a rate equal to 30 percent (or the lower rate under any applicable treaty) without any deductions. This 30 percent tax applies to U.S. source income that is not effectively connected with a U.S. trade or business. Different tax rates and rules apply to income effectively connected with a U.S. trade or business, and those rules are not discussed herein. The 30 percent tax is withheld by the Trust and remitted directly to the United States Treasury. Foreign Taxpayers who have had tax withheld in 2021 should have received an IRS Form 1042-S from the Trust. The IRS Form 1042-S will reflect the total federal income tax withheld from distributions. To avoid double inclusion, the amount reported on the IRS Form 1042-S should not be included as additional income in computing taxable income, as such amount is already included in the per-Unit income items on the income and expense schedules included herein. The federal income tax withheld, as reported on the IRS Form 1042-S, should be considered as a credit by the Unit holder in computing any federal income tax liability.

A Foreign Taxpayer holding income producing real property may elect to treat the income from such real property as effectively connected with the conduct of a United States trade or business. As discussed above, different tax rates and rules apply to Foreign Taxpayers with income effectively connected with a U.S. trade or business and those rules are not discussed in detail herein. The income attributable to the Properties is considered income produced from real property. Therefore, this election should be available to Foreign Taxpayers with respect to the taxable income resulting from the ownership of Units. A Unit holder so electing is entitled to claim all deductions with respect to such income but must file a United States income tax return to claim such deductions. In the case of a Foreign Taxpayer that is a foreign corporation, a “branch profits tax” may be imposed at a 30 percent rate (or a lower rate under an applicable treaty). This election, once made, is generally irrevocable unless an application for revocation is approved by the Internal Revenue Service or an applicable treaty allows the election to be made periodically.

Pursuant to the Foreign Investment in Real Property Tax Act of 1980, as amended (“FIRPTA”), a Foreign Taxpayer is subject to U.S. income tax with respect to the sale, transfer, or disposition of a United States real property interest. FIRPTA generally treats interests in trusts owning United States real property as United States real property interests. However, Foreign Taxpayers with a 5% or less interest in the Trust are not considered to hold U.S. real property interests with respect to the Units because the Units are publicly traded. If the FIRPTA provisions apply because a Foreign Taxpayer holds a greater than 5% (SRT 2021 TAX)

interest in the Trust, income tax is required to be withheld from any proceeds distributed to Foreign Taxpayers at the rate of 15% of the amount realized by Foreign Taxpayers upon the sale, exchange or other disposition of a Unit. In addition, distributions, if any, that represent the Foreign Taxpayer's allocable share of gain realized upon the sale, exchange or other disposition of United States real property interest by the Trust will generally be subject to withholding tax at a 21% rate. The federal income tax withheld under FIRPTA should be considered a credit by the Foreign Taxpayer in computing any federal income tax liabilities.

In order to avoid withholding under FIRPTA, Foreign Taxpayers will be required to furnish the applicable withholding agent with an exemption certificate certifying why such withholding is not required.

Pursuant to the Foreign Account Tax Compliance Act (commonly referred to as "FATCA"), distributions from the Trust to "foreign financial institutions" and certain other "non-financial foreign entities" may be subject to U.S. withholding taxes. Specifically, certain "withholdable payments" (including certain royalties, interest and other gains or income from U.S. sources) made to a foreign financial institution or non-financial foreign entity will generally be subject to the withholding tax unless the foreign financial institution or non-financial foreign entity complies with certain information reporting, withholding, identification, certification and related requirements imposed by FATCA. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

According to Treasury Department guidance, the FATCA withholding rules described above generally will apply to qualifying payments made after June 30, 2014. Foreign Taxpayer Unit holders are encouraged to consult their own tax advisors regarding the possible implications of these withholding provisions on their investment in Trust Units.

Foreign Taxpayers are encouraged to consult their own tax advisors concerning the tax consequences of their investment in the Trust.

Sale or Exchange of Units

Generally, a Unit holder realizes gain or loss upon the sale or exchange of any Unit measured by the difference between the amount realized from the sale or exchange and the adjusted tax basis of such Unit. The adjusted tax basis of a Unit is the original basis of such Unit reduced by depletion deductions allowable (whether deducted or not) with respect to such Unit and by any purchase price adjustment that constitutes a return of capital. Trust income allocable to such Unit is taxable to the selling Unit holder until the date of sale. The purchaser of a Unit is taxable on Trust income allocable to such Unit from the date of purchase forward. For federal income tax purposes, Trust income should generally be allocable only to the holder of record of a Unit on each Monthly Record Date.

For federal income tax purposes, the sale of a Unit will be treated as a sale by a Unit holder of his interest in a royalty interest. Gain or loss on the sale of Units by a Unit holder who is not a dealer with respect to such Units and who has a holding period for the Units of more than one year generally will be treated as long-term capital gain or loss except to the extent of the depletion recapture amount. The depletion recapture amount is ordinary income and equals the lesser of (1) the gain on such sale attributable to the disposition of the royalty interest, or (2) the sum of the prior depletion deductions taken with respect to the royalty interests (but not in excess of the initial basis of such Units allocated to the royalty interests).

Backup Withholding

A payor is required under specified circumstances to withhold tax at the rate of 24 percent on "reportable interest or dividend payments" and "other reportable payments" (including certain oil and gas royalty payments). Generally, this "backup withholding" is required on payments if the payee has failed to furnish the payor a taxpayer identification number or if the payor is notified by the Secretary of the Treasury to withhold taxes on such payments with respect to the payee.

Amounts withheld by payors pursuant to the backup withholding provisions are remitted to the Internal Revenue Service and are considered a credit against the payee's federal income tax liability. If the payee does not incur a federal income tax liability for the year in which the taxes are withheld, the payee will be required to file the appropriate income tax return to claim a refund of the taxes withheld.

State Tax

Unit holders may be required to file state tax returns and may be liable for state tax as a result of their ownership of Trust Units. The Properties are located in Florida, Louisiana, Mississippi, New Mexico, Oklahoma and Texas. The tax information included in this booklet is presented in a manner to enable Unit holders to compute the income and deductions of the Trust attributable to each of these states. Unit holders will need this information to comply with the state tax filing requirements in those states imposing a tax. The laws pertaining to tax in any given state may vary from those of another state and from those applicable to federal income tax. Accordingly, Unit holders should consult their own tax advisors concerning state tax compliance matters relating to ownership of Units.

The Trustee has been informed that certain states have contacted Unit holders regarding underpayments of the state tax imposed on the Unit holders' income from the Trust. Failure by Unit holders to report their state tax liability properly could result in the direct withholding of state taxes from Trust distributions. Accordingly, Unit holders are urged to review carefully the various filing requirements of the states in which the Properties are located to determine if a state tax liability exists as a result of the ownership of Units in the Trust.

Florida does not impose a personal income tax. Florida imposes an income tax on resident and nonresident corporations (except for S corporations not subject to the built-in-gains tax or passive investment income tax), which will be applicable to royalty income allocable to a corporate Unit holder from Properties located within Florida.

Louisiana, Mississippi, New Mexico, and Oklahoma each impose taxes applicable to both resident and nonresident individuals and/or corporations (subject to certain exceptions for S corporations and limited liability companies, depending on their treatment for federal tax purposes), which will apply to royalty income allocable to a Unit holder from Properties located within those states. Even though there are variances from state to state, taxable income for state tax purposes is often computed in a manner similar to the computation of taxable income for federal income tax purposes.

New Mexico and Oklahoma impose a withholding tax on payments to nonresidents of oil and gas proceeds derived from royalty interests. To reduce the administrative burden imposed by these rules, the Trustee has opted to allow the payors of oil and gas proceeds to withhold on royalty payments made to the Trust. The Trust has filed New Mexico and Oklahoma tax returns, obtained a refund, and distributed that refund to Unit holders. Unit holders who transfer their Units before either the New Mexico or Oklahoma tax refunds are received by the Trust or after the refunds are received but before the next Monthly Record Date will not receive any portion of the refund. As a result, such Unit holders may effectively incur a double tax—first, through the reduced distribution received from the Trust (as withholding at the Trust level reduces the amount of cash available for distribution); and second, by the tax payment made directly to New Mexico or Oklahoma taxing authorities with the filing of their New Mexico or Oklahoma income tax returns.

Texas imposes a franchise tax at a rate of 0.75% on gross revenues less certain deductions, as specifically set forth in the Texas franchise tax statutes. Entities subject to the Texas franchise tax generally include trusts and most other types of entities that provide limited liability protection, unless otherwise exempt. Trusts that receive at least 90% of their federal gross income from certain passive sources, including royalties from mineral properties and other non-operated mineral interest income, and do not receive more than 10% of their income from operating an active trade or business generally are exempt from the Texas franchise tax as "passive entities." The Trust has been and expects to continue to be exempt from Texas franchise tax as a passive entity. Because the Trust should be exempt from Texas franchise tax at the Trust level as a passive entity, each Unit holder that is a taxable entity under the Texas franchise tax generally will be required to include its portion of Trust revenues in its own Texas franchise (SRT 2021 TAX)

tax computation. This revenue is sourced to Texas under provisions of the Texas Administrative Code, sourcing such income according to the principal place of business of the Trust, which is Texas.

All states have not adopted federal law with respect to percentage depletion nor are the methods for computing percentage depletion consistent among the various states. It should be noted, however, that cost depletion generally is allowed by those states in which the Properties are located (Unit holders should note that a special depletion rule applies in Oklahoma). Information is included previously within this booklet to assist you in determining the respective allowable cost depletion deductions by state.

Unit holders should consult their own tax advisors concerning the type of state tax returns that may be required and their applicable due dates.

Following is a list of names and addresses of the various state taxing authorities from which you may obtain additional information:

Florida		Florida Department of Revenue 5050 W. Tennessee Street Tallahassee, Florida 32399-0100 (850) 488-6800 http://floridarevenue.com
New Mexico	Individuals:	State of New Mexico Taxation and Revenue Department 1100 South Saint Francis Drive P.O. Box 25122 Santa Fe, New Mexico 87504-5122 (505) 827-0700, (505) 827-0951 www.tax.newmexico.gov
	Corporations:	New Mexico Taxation and Revenue Department Attention: Corporate Income and Franchise Tax P.O. Box 25127 Santa Fe, New Mexico 87504-5127 (505) 827-0825 www.tax.newmexico.gov
Mississippi		Mississippi Department of Revenue P.O. Box 1033 Jackson, Mississippi 39215-1033 (601) 923-7700 www.dor.ms.gov
Louisiana		Department of Revenue and Taxation State of Louisiana P.O. Box 201 Baton Rouge, Louisiana 70821-0201 (855) 307-3893 http://revenue.louisiana.gov
Oklahoma	Individuals:	Oklahoma Tax Commission Oklahoma City, OK 73194 (405) 521-3160 www.ok.gov/tax/
	Corporations:	Oklahoma Tax Commission Oklahoma City, Oklahoma 73194 (405) 521-3160 www.ok.gov/tax/
Texas		Texas Comptroller of Public Accounts P.O. Box 13528, Capitol Station Austin, Texas 78711-3528 (800) 252-1381 http://comptroller.texas.gov/

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SABINE ROYALTY TRUST

TAX INFORMATION 2021

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