

## Condensed Statements of Assets, Liabilities and Trust Corpus

	June 30, 2023 (Unaudited)	December 31, 2022
<b>Assets</b>		
Cash and short-term investments .....	\$ 8,445,273	\$ 16,170,491
Royalty interests in oil and gas properties (less accumulated amortization of \$22,293,455 and \$22,282,693 at June 30, 2023 and December 31, 2022).....	101,730	112,492
<b>TOTAL .....</b>	<b>\$ 8,547,003</b>	<b>\$ 16,282,983</b>
<b>Liabilities and Trust Corpus</b>		
Trust expenses payable.....	\$ 353,015	\$ 210,757
Other payables .....	1,330,058	4,662,720
	<b>1,683,073</b>	<b>4,873,477</b>
Trust corpus - 14,579,345 units of beneficial interest authorized and outstanding.....	6,863,930	11,409,506
<b>TOTAL .....</b>	<b>\$ 8,547,003</b>	<b>\$ 16,282,983</b>

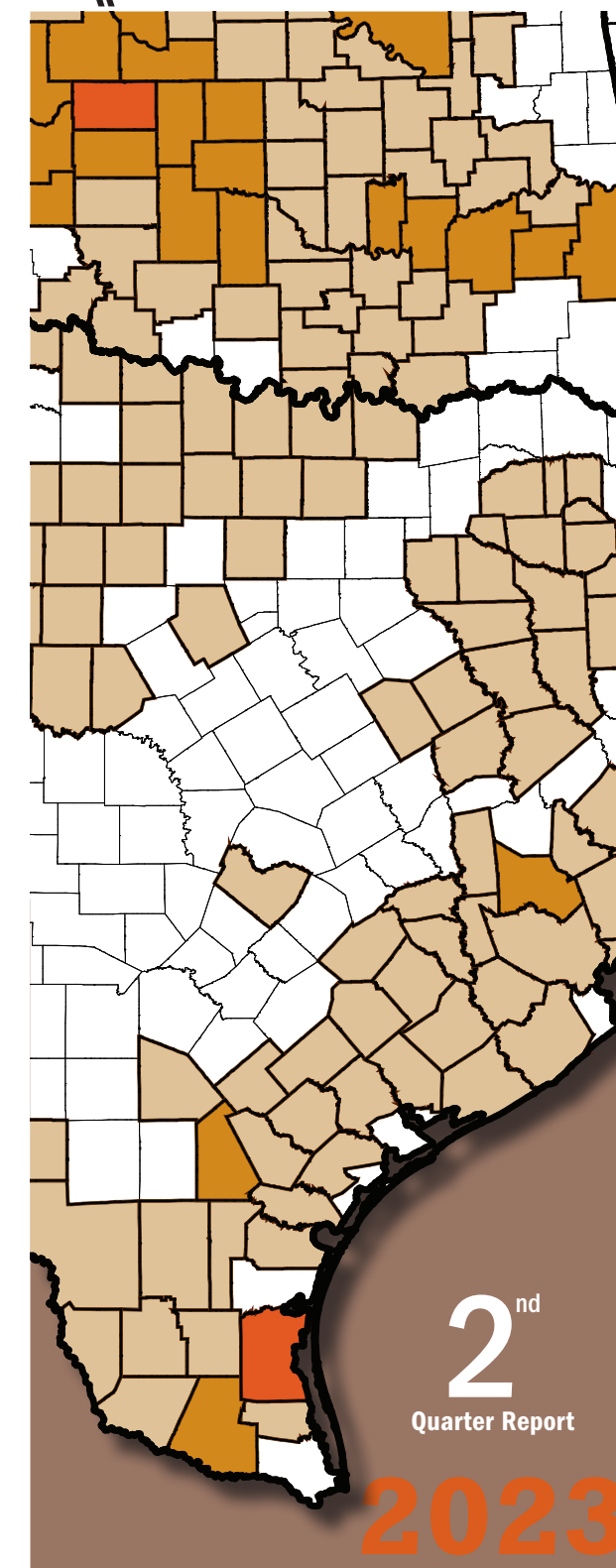
## Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Trust corpus, beginning of period.....	\$ 12,395,493	\$ 12,865,544	\$ 11,409,506	\$ 14,909,990
Amortization of royalty interests .....	(4,916)	(7,552)	(10,762)	(14,351)
Distributable income .....	16,698,836	27,307,510	42,975,336	50,321,990
Distributions.....	(22,225,483)	(29,934,749)	(47,510,150)	(54,986,876)
Trust corpus, end of period .....	<b>\$ 6,863,930</b>	<b>\$ 10,230,753</b>	<b>\$ 6,863,930</b>	<b>\$ 10,230,753</b>
Distributions per unit (14,579,345 units) ..	<b>\$ 1.52</b>	<b>\$ 2.05</b>	<b>\$ 3.26</b>	<b>\$ 3.77</b>

## Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Royalty income .....	\$ 17,433,846	\$ 28,027,084	\$ 44,569,132	\$ 51,957,399
Interest income .....	154,709	14,322	401,725	17,070
<b>Total .....</b>	<b>17,588,555</b>	<b>28,041,406</b>	<b>44,970,857</b>	<b>51,974,469</b>
General and administrative expenses .....	(889,719)	(733,896)	(1,995,521)	(1,652,479)
Distributable income .....	<b>\$ 16,698,836</b>	<b>\$ 27,307,510</b>	<b>\$ 42,975,336</b>	<b>\$ 50,321,990</b>
Distributable income per unit (14,579,345 units) ..	<b>\$ 1.15</b>	<b>\$ 1.87</b>	<b>\$ 2.95</b>	<b>\$ 3.45</b>

## SABINE ROYALTY TRUST



## To Unit holders:

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

Distributable income consists of royalty income plus interest income plus any decrease in cash reserves established by the Trustee less general and administrative expenses of the Trust less any increase in cash reserves established by the Trustee. Distributable income for the three months ended June 30, 2023 was \$16,698,836 or \$1.15 per Unit. Royalty income for the three months ended June 30, 2023 amounted to \$17,433,846 while interest income was \$154,709. General and administrative expenses totaled \$889,719 for the three months ended June 30, 2023.

Distributions during the period were \$0.699540, \$0.499000 and \$0.325910 per Unit payable to Unit holders of record on April 17, May 15, and June 15, 2023, respectively.

Royalty income for the quarter ended June 30, 2023 decreased approximately \$10,593,000 or 38% compared with the second quarter of 2022. This decrease was primarily the result of lower prices for both oil and natural gas (\$9.3 million), lower production for natural gas (\$2.3 million), partially offset by lower taxes and operating expenses (\$0.6 million) and higher oil production (\$0.4 million).

Compared to the preceding quarter ended March 31, 2023, royalty income decreased approximately \$9,701,000 or 36%, due mainly to decreases in the price of both oil and natural gas (\$8.3 million), and decreases in the production of both oil and natural gas (\$2.1 million). These decreases were offset somewhat by lower taxes and operating expenses (\$0.7 million).

Royalty income for the six months ended June 30, 2023, decreased approximately \$7,388,000 or 14% compared to the same time period in 2022. This decrease was mainly due to lower natural gas and oil prices (\$6.9 million), and lower natural gas production (\$1.7 million). These decreases were tempered somewhat by an increase in the production of oil (\$1.1 million) and lower taxes and

operating expenses (\$0.2 million).

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

	Quarter Ended		
	June 30, 2023	June 30, 2022	March 31, 2023
Production			
Oil (Bbls)	159,548	153,940	160,803
Gas (Mcfs)	2,676,099	3,436,772	3,356,074
Average Price			
Oil (per Bbl) \$	70.83	94.23	80.35
Gas (per Mcf) \$	2.98	4.63	4.99
	Six Months Ended		
	June 30, 2023	June 30, 2022	
Production			
Oil (Bbls)	320,351		305,480
Gas (Mcfs)	6,032,173		6,453,032
Average Price			
Oil (per Bbl) \$	75.61		83.55
Gas (per Mcf) \$	4.10		4.80

Gas royalty income received for the three months ended June 30, 2023, related primarily to production for January through March 2023. The average price of gas reported by the Henry Hub for the same time period was \$2.38 per Mcf. The average price of gas for the Henry Hub was \$2.16 per Mcf for January through June 2023. Oil royalty income for the three months ended June 30, 2023 related primarily to production for February through April 2023. The average price of oil as reported by NYMEX for that time period was \$76.31 per barrel. The average price of oil was \$74.73 per barrel for January through June 2023. As of July 24, 2023, the average price of gas for the Henry Hub was \$2.41 per Mcf and the average price of oil reported by NYMEX was \$78.81 per barrel. It is difficult to estimate future prices of oil and gas, and any assumptions concerning future prices may prove to be incorrect.

Interest income for the quarter ended June 30, 2023 increased \$140,400 compared with the second quarter of 2022. Compared to the preceding quarter ended March 31, 2023, interest income decreased \$92,300. Interest income for the six months ended June 30, 2023 increased approximately \$384,700 compared to the same period in 2022. Changes in interest income are the result of changes in interest rates and funds available for investment.

General and administrative expenses for the quarter ended June 30, 2023 increased by approximately \$155,800 compared to the same quarter of 2022 primarily due to increases in printing and unitholder services of approximately \$169,600 and Escrow Agent/Trustee fees

of approximately \$93,900. These increases were partially offset by a decrease in legal and professional services of approximately \$107,700.

Compared to the previous quarter ended March 31, 2023, general and administrative expenses decreased approximately \$216,100 primarily due to decreases in legal and professional services of approximately \$243,000, a decrease in Escrow Agent/Trustee fees of approximately \$61,700, and a decrease due to the timing of payment of the annual New York Stock Exchange listing fee of \$80,000. These decreases were offset somewhat by an increase in printing and unitholder information services of approximately \$168,600.

General and administrative expenses increased approximately \$343,000 for the six months ended June 30, 2023, compared to the same time period in 2022 due primarily to an increase in Escrow Agent/Trustee fees

of approximately \$254,300 and an increase in printing and unitholder information services of approximately \$153,200. These increases were tempered somewhat by a decrease in legal and professional services of approximately \$64,500.

**Sabine Royalty Trust**  
**By Argent Trust Company, Trustee**



**By Ron E. Hooper**  
**SVP, Royalty Trust Services**

August 18, 2023

## Information About The Trust

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

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

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

mailed to Unit holders on or about the 29th of each month. Distributions by the Trust in 2023 have been as follows (stated in dollars per Unit):

Month of Payment	Amount	Month of Payment	Amount
January	\$ .631510	May	\$ .499000
February	\$ .637300	June	\$ .325910
March	\$ .465470	July	\$ .320470
April	\$ .699540	August	\$ .298580

The Trust's monthly distributions include cash received by the Trustee, acting as Escrow Agent on the record date for such distribution, which represents cash attributable to the Royalties, and interest thereon, collected by the Trustee, acting as Escrow Agent, during the preceding calendar month. Schedules of information on a per Unit basis for preparation of federal and state income tax returns will be provided in booklet form for calendar year 2023 in March 2024. Monthly schedules of income tax information for January through June 2023 are available now for those Unit holders who file fiscal year tax returns and need this information. Please request to be placed on a special mailing list if you need this interim tax information by writing to Tax Mailing List, Sabine Royalty Trust, Argent Trust Company, 3838 Oak Lawn Ave, Ste 1720, Dallas, TX 75219-4518, 1 (855) 588-7839. Our website is [www.sbr-sabine.com](http://www.sbr-sabine.com).