



1st

Quarter Report

2025

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 the cash reserves established by the Trustee. Distributable income for the three months ended March 31, 2025 was \$18,146,483 or \$1.24 per Unit. Royalty income for the three months ended March 31, 2025 amounted to \$19,394,566 while interest income was \$106,960. General and administrative expenses totaled \$1,355,043 for the three months ended March 31, 2025.

Distributions during the period were \$0.448330, \$0.439510 and \$0.301230 per Unit payable to Unit holders of record on January 15, February 18, and March 17, 2025, respectively.

Royalty income for the quarter ended March 31, 2025 decreased approximately \$1,364,000 or 7% compared with the first quarter of 2024. This decrease was primarily the result of lower prices for both oil and natural gas (\$4.4 million), and lower gas production (\$0.1 million), partially offset by increased production for oil (\$2.2 million), miscellaneous receipts (\$0.7 million) and lower ad valorem taxes (\$0.3 million).

Compared to the preceding quarter ended December 31, 2024, royalty income decreased approximately \$25,000, due mainly to lower oil and natural gas production (\$2.6 million), and lower oil prices (\$2.8 million). These decreases were offset partially by an increase in the price of natural gas (\$2.9 million), and lower ad valorem taxes and production taxes (\$1.9 million), and miscellaneous receipts (\$0.6 million).

The following table illustrates average prices

received for the periods discussed above and the related oil and gas production volume:

	Quarter Ended		
	March 31, 2025	March 31, 2024	December 31, 2024
Production			
Oil (Bbbls)	211,707	174,002	214,479
Gas (Mcf)	3,883,612	3,934,950	5,018,376
Average Price			
Oil (per Bbl)	\$ 59.17	\$ 80.20	\$ 72.08
Gas (per Mcf)	\$ 2.19	\$ 2.37	\$ 1.62

Oil royalty income for the three months ended March 31, 2025, related primarily to production for November 2024 through January 2025. The average price of oil as reported by NYMEX for that time period was \$71.94 per barrel. The average price of oil was \$71.78 per barrel for January through March 2025. Gas royalty income received for the three months ended March 31, 2025, related primarily to production for October through December 2024. The average price of gas reported by Henry Hub for the same time period was \$2.79 per Mcf. The average price of gas for Henry Hub was \$3.15 per Mcf for January through March 2025. As of April 28, 2025, the average price of gas reported by Henry Hub was \$2.66 per Mcf and the average price of oil reported by NYMEX was \$63.30 per barrel. It is difficult to estimate future prices of oil and gas, and any assumptions concerning future prices may prove to be incorrect.

Interest income for the quarter ended March 31, 2025, decreased \$44,966 compared with the first quarter of 2024. Compared to the preceding quarter ended December 31, 2024, interest income decreased \$21,348. Changes in interest income are the result of changes in interest rates and funds available for investment.

General and administrative expenses increased approximately \$365,700 for the three months ended March 31, 2025, compared to the same time period in 2024 due primarily to an increase in Escrow Agent/ Trustee fees of approximately \$163,400, a bonus fee to Argent of approximately \$92,200, professional and legal fees of approximately \$101,600, and miscellaneous expenses of approximately \$8,800.

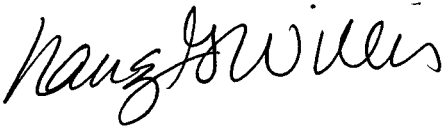
Compared to the previous quarter ended December 31, 2024, general and administrative expenses increased approximately \$379,000 primarily due to timing of audit

and legal fees of approximately \$195,700, a bonus fee to Argent of \$92,200, unitholder and printing services of approximately \$81,300, and miscellaneous expenses of approximately \$9,300.

For the calendar year 2025, Argent’s Administration Expenses are estimated to be \$1,855,000, which would result in fees payable to Argent of approximately \$2,650,000. These fees include both a reimbursement for costs and a margin of profit. Argent also had a cost savings compared to the budgeted expenses of approximately \$258,000, which resulted in a bonus of approximately \$369,000, or 31,000 per month, which will be taken from February 2025 through January 2026. The

Trust incurs substantial costs and expenses in addition to Argent’s fees which are estimated to be approximately \$1,800,000 for the calendar year 2025.

Sabine Royalty Trust
By Argent Trust Company, Trustee



By Nancy Willis
Director Of Royalty Trust Services

May 9, 2025

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 2025 have been as follows (stated in dollars per Unit):

Month of Payment	Amount	Month of Payment	Amount
January	\$.448330	April	\$.503880
February	\$.439510	May	\$.447780
March	\$.301230		

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 2025 in March 2026. Monthly schedules of income tax information for January through March 2025 will be available by June 2025 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 Avenue Suite 1720, Dallas, TX 75219, 1 (855) 588-7839. Our website is www.sbr-sabine.com.

Condensed Statements of Assets, Liabilities and Trust Corpus

	March 31, 2025 (Unaudited)	December 31, 2024
Assets		
Cash and short-term investments	\$ 9,878,062	\$ 9,169,742
Royalty interests in oil and gas properties (less accumulated amortization of \$22,318,103 and \$22,314,566 at March 31, 2025 and December 31, 2024, respectively)	77,082	80,619
TOTAL	<u>\$ 9,955,144</u>	<u>\$ 9,250,361</u>
Liabilities and Trust Corpus		
Trust expenses payable	\$ 322,361	\$ 311,784
Other payables	118,767	231,645
	441,128	543,429
Trust corpus – 14,579,345 units of beneficial interest authorized and outstanding.....	9,514,016	8,706,932
TOTAL	<u>\$ 9,955,144</u>	<u>\$ 9,250,361</u>

Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended March 31,	
	2025	2024
Trust corpus, beginning of period	\$ 8,706,932	\$ 8,558,906
Amortization of royalty interests	(3,537)	(5,059)
Distributable income	18,146,483	19,921,427
Distributions	(17,335,862)	(18,487,632)
Trust corpus, end of period	<u>\$ 9,514,016</u>	<u>\$ 9,987,642</u>
Distributions per unit (14,579,345 units)	<u>\$ 1.19</u>	<u>\$ 1.27</u>

Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended March 31,	
	2025	2024
Royalty income	\$ 19,394,566	\$ 20,758,805
Interest income	106,960	151,926
Total	19,501,526	20,910,731
General and administrative expenses	(1,355,043)	(989,304)
Distributable income	<u>\$ 18,146,483</u>	<u>\$ 19,921,427</u>
Distributable income per unit (14,579,345 units)	<u>\$ 1.24</u>	<u>\$ 1.37</u>