



2nd

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 cash reserves established by the Trustee. Distributable income for the three months ended June 30, 2025, was \$17,788,995, or \$1.22 per unit. Royalty income for the three months ended June 30, 2025, amounted to \$18,583,570 while interest income was \$119,730. General and administrative expenses totaled \$914,305 for the three months ended June 30, 2025.

Distributions during the period were \$0.503880, \$0.447780, and \$0.426490 per Unit payable to Unit holders of record on April 15, May 15, and June 16, 2025, respectively.

Royalty income for the quarter ended June 30, 2025, decreased approximately \$4,024,000 or 18%, compared with the second quarter of 2024. This decrease was primarily the result of a decrease in both oil and natural gas production (\$7.1 million) and a decrease in oil prices (\$2.4 million), offset by an increase in natural gas prices (\$4.9 million) and decreased production taxes, operating expenses, and ad valorem taxes (\$0.5 million).

Compared to the preceding quarter ended March 31, 2025, royalty income decreased approximately \$811,000, or 4%, due mainly to decreased oil and natural gas production (\$6.6 million) and the absence of miscellaneous receipts recognized in the prior quarter (\$0.7 million), partially offset by higher oil and natural gas prices (\$6.1 million), and lower production taxes, operating expenses, and ad valorem taxes (\$0.4 million).

Royalty income for the six months ended June 30, 2025, decreased approximately \$5,388,000, or 12%, compared to the same period in 2024. This decrease was due mainly to lower oil and natural gas production (\$4.0 million) and a decrease in oil prices (\$6.5 million). These were partially offset by higher natural gas prices (\$3.7 million), a one-time miscellaneous receipts distribution recognized in the first quarter of 2025 (\$0.7 million), and lower production taxes, ad valorem taxes, and operating expenses (\$0.7 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, 2025	June 30, 2024	March 31, 2025
Production			
Oil (Bbls)	155,573	220,438	211,707
Gas (Mcf)	3,046,325	3,869,375	3,883,612
Average Price			
Oil (per Bbl)	\$ 68.17	\$ 78.89	\$ 59.17
Gas (per Mcf)	\$ 3.26	\$ 1.99	\$ 2.19
	Six Months Ended		
	June 30, 2025	June 30, 2024	
Production			
Oil (Bbls)	367,280		394,440
Gas (Mcf)	6,929,937		7,804,325
Average Price			
Oil (per Bbl)	\$ 62.98		\$ 79.47
Gas (per Mcf)	\$ 2.66		\$ 2.18

Oil royalty income for the three months ended June 30, 2025, related primarily to production for February through April 2025. The average price of oil as reported by NYMEX for that time period was \$67.65 per barrel. The average price of oil was \$68.12 per barrel for January through June 2025. Gas royalty income received for the three months ended June 30, 2025, related primarily to production for January through March 2025. The average price of gas reported by Henry Hub for the same time period was \$3.73 per Mcf. The average price of gas for Henry Hub was \$3.30 per Mcf for January through June 2025. As of July 30, 2025, the average price of gas for Henry Hub was \$2.81 per Mcf and the average price of oil reported by NYMEX was \$67.81 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, 2025, decreased \$55,623 compared with the second quarter of 2024. Compared to the preceding quarter ended March 31, 2025, interest income increased \$12,770. Interest income for the six months ended June 30, 2025 decreased approximately \$100,589 compared to the same period in 2024. 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, 2025 increased approximately \$210,800 compared to the same quarter of 2024 due primarily to an increase in Escrow Agent/Trustee/Bonus fees of approximately \$203,400, and professional services of \$37,000. These were offset by a decrease in printing expenses of \$29,600.

Compared to the previous quarter ended March 31,

2025, general and administrative expenses decreased approximately \$440,700 primarily due to a decrease in Escrow Agent Fees of approximately \$18,000, and decreases related to timing of payment of legal and professional services of approximately \$343,000, unitholder services of approximately \$82,000, and ad valorem service fee of approximately \$3,600. These were slightly offset by an increase in other expenses of approximately \$5,900.

General and administrative expenses increased approximately \$576,600 for the six months ended June 30, 2025, compared to the same time period in 2024 due primarily to increases in Escrow Agent/Trustee/Bonus fees of approximately \$459,000, professional services of approximately

\$116,000 and tax reporting services of approximately \$5,800. These were slightly offset by a decrease in other expenses of approximately \$4,200.

By Argent Trust Company, Trustee



**By Nancy Willis
Director Of Royalty Trust Services**

August 8, 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	May	\$.447780
February	\$.439510	June	\$.426490
March	\$.301230	July	\$.345930
April	\$.503880	August	\$.744730

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 June 2025 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 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

	June 30, 2025 (Unaudited)	December 31, 2024
Assets		
Cash and short-term investments	\$ 7,889,388	\$ 9,169,742
Royalty interests in oil and gas properties (less accumulated amortization of \$22,320,834 and \$22,314,566 at June 30, 2025 and December 31, 2024, respectively)	74,351	80,619
TOTAL	<u>\$ 7,963,739</u>	<u>\$ 9,250,361</u>
Liabilities and Trust Corpus		
Trust expenses payable	\$ 250,620	\$ 311,784
Other payables	505,365	231,645
	755,985	543,429
Trust corpus – 14,579,345 units of beneficial interest authorized and outstanding.....	7,207,754	8,706,932
TOTAL	<u>\$ 7,963,739</u>	<u>\$ 9,250,361</u>

Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Trust corpus, beginning of period	\$ 9,514,016	\$ 9,987,642	\$ 8,706,932	\$ 8,558,906
Amortization of royalty interests	(2,732)	(5,276)	(6,269)	(10,335)
Distributable income	17,788,995	22,078,997	35,935,478	42,000,424
Distributions	(20,092,525)	(24,360,190)	(37,428,387)	(42,847,822)
Trust corpus, end of period	<u>\$ 7,207,754</u>	<u>\$ 7,701,173</u>	<u>\$ 7,207,754</u>	<u>\$ 7,701,173</u>
Distributions per unit (14,579,345 units)	<u>\$ 1.38</u>	<u>\$ 1.67</u>	<u>\$ 2.57</u>	<u>\$ 2.94</u>

Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Royalty income.....	\$ 18,583,570	\$ 22,607,108	\$ 37,978,136	\$ 43,365,913
Interest income.....	119,730	175,353	226,690	327,279
Total	18,703,300	22,782,461	38,204,826	43,693,192
General and administrative expenses.....	(914,305)	(703,464)	(2,269,348)	(1,692,768)
Distributable income.....	<u>\$ 17,788,995</u>	<u>\$ 22,078,997</u>	<u>\$ 35,935,478</u>	<u>\$ 42,000,424</u>
Distributable income per unit (14,579,345 units)	<u>\$ 1.22</u>	<u>\$ 1.51</u>	<u>\$ 2.46</u>	<u>\$ 2.88</u>