

Permian Basin Royalty Trust Financial Statements

Condensed Statements of Assets, Liabilities and Trust Corpus

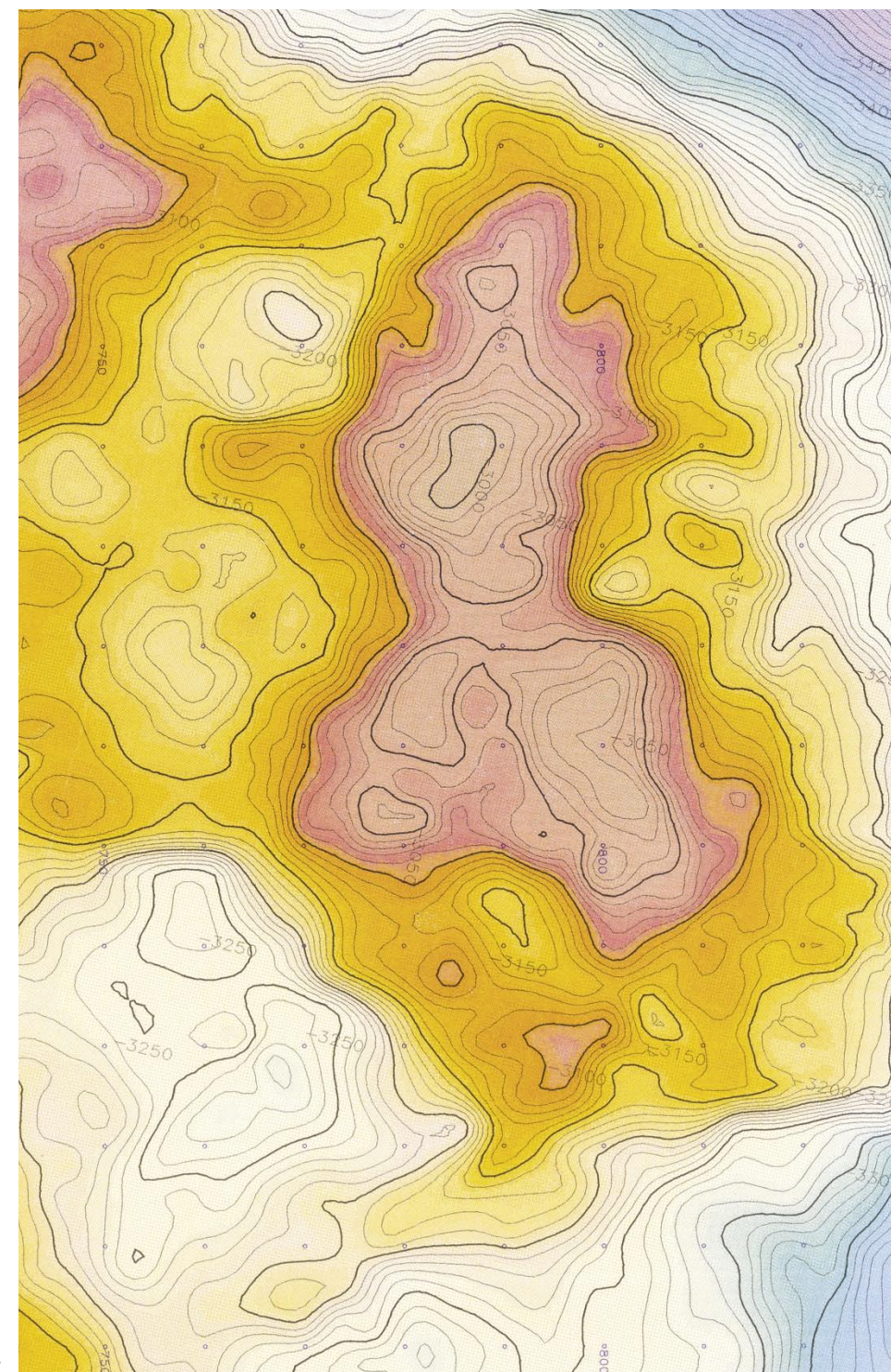
	March 31, 2009 (Unaudited)	December 31, 2008
Assets		
Cash and Short-term Investments.....	\$ 1,380,578	\$ 5,147,216
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$9,823,378 and \$9,804,423 at March 31, 2009 and December 31, 2008, respectively)	1,151,914	1,170,793
TOTAL ASSETS	\$ 2,532,492	\$ 6,318,009
Liabilities and Trust Corpus		
Distribution Payable to Unit Holders	\$ 1,380,578	\$ 5,147,216
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding	1,151,914	1,170,793
TOTAL LIABILITIES AND TRUST CORPUS	\$ 2,532,492	\$ 6,318,009

Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended March 31, 2009	2008
Royalty Income.....	\$ 7,713,387	\$26,424,398
Interest Income	2,235	33,694
	7,715,206	26,458,092
General and Administrative Expenditures.....	(442,416)	(354,756)
Distributable Income.....	\$ 7,273,206	\$26,103,336
Distributable Income per Unit (46,608,796 Units).....	\$.16	\$.56

Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended March 31, 2009	2008
Trust Corpus, Beginning of Period	\$ 1,170,793	\$ 1,293,935
Amortization of Net Overriding Royalty Interests	18,881	(34,657)
Distributable Income.....	7,273,206	26,103,336
Distributions Declared.....	(7,273,206)	(26,103,336)
Trust Corpus, End of Period	\$ 1,151,914	\$ 1,259,278
Distributions per Unit	\$.16	\$.56



Permian Basin Royalty Trust

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Permian Basin Royalty Trust
First Quarter Report
2009



To Unit holders:

For the quarter ended March 31, 2009, royalty income received by the Trust amounted to \$7,713,387 compared to royalty income of \$26,424,398 during the first quarter of 2008. The decrease in royalty income is primarily attributable to significant decreases in both oil and gas prices and related production.

Interest income for the quarter ended March 31, 2009, was \$2,235 compared to \$33,694 during the first quarter of 2008. The decrease in interest income is primarily attributable to less funds available for investment and significantly lowered interest rates. General and administrative expenses during the first quarter of 2009 amounted to \$442,416 compared to \$354,756 during the first quarter of 2008. The increase in general and administrative expenses can be primarily attributed to increased printing expenses due to an overall increase in the number of unit holders.

These transactions resulted in distributable income for the quarter ended March 31, 2009 of \$7,273,206 or \$.16 per Unit of beneficial interest.

Distributions of \$.082862, \$.043564 and \$.029620 per Unit were made to Unit holders of record as of January 30, 2009, February 27, 2009 and March 31, 2009, respectively. For the first quarter of 2008, distributable income was \$26,103,336, or \$.56 per Unit of beneficial interest.

Royalty income for the Trust for the first quarter of the calendar year is associated

with actual oil and gas production for the period of November and December 2008 and January 2009 from the properties from which the Trust's net overriding royalty interests ("Royalties") were carved. Oil and gas sales attributable to the Royalties and the properties from which the Royalties were carved are as follows:

First Quarter	2009	2008
Royalties		
Oil sales (Bbls)	125,302	204,881
Gas sales (Mcf).....	510,082	1,019,806
Product From Which The Royalties Were Carved:		
<i>Oil:</i>		
Total oil sales (Bbls)	283,752	285,590
Average per day (Bbls).....	3,084	3,104
Average price per Bbl.....	\$ 41.10	\$ 87.80
<i>Gas:</i>		
Total gas sales (Mcf).....	1,506,867	1,548,791
Average per day (Mcf)	16,371	16,835
Average price per Mcf	\$ 4.87	\$ 9.49

The received price of oil decreased to an average price of \$41.10 per Bbl in the first quarter of 2009, compared to \$87.80 per Bbl in the first quarter of 2008 due to worldwide market variables. The Trustee has been advised by ConocoPhillips that for the period of August 1, 1993, through March 31, 2009, the oil from the Waddell Ranch properties was being sold under a competitive bid to a third party. The average price of gas decreased from \$9.49 per Mcf in the first quarter of 2008 to \$4.87 per Mcf

in the first quarter of 2009 due to change in overall market variables.

Since the oil and gas sales attributable to the Royalties are based on an allocation formula that is dependent on such factors as price and cost (including capital expenditures), the production amounts in the Royalties section of the above table do not provide a meaningful comparison.

Oil sales volumes decreased and gas sales volumes decreased from the Underlying Properties (as defined in the Trust's Annual Report on Form 10-K for the year ended December 31, 2008) for the applicable period in 2009 compared to 2008.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the first quarter of 2009 totaled \$2.7 million as compared to \$275,000 for the first quarter of 2008. ConocoPhillips has informed the Trustee that the 2009 capital expenditures budget has been revised to \$43.5 million for the Waddell Ranch properties. The total amount of capital expenditures for 2008 was \$24.1 million. Through the first quarter of 2009, capital expenditures of \$2.7 million have been expended.

The Trustee has been advised that there were 1 workover well completed, 0 new wells completed, 0 new well in progress and 3 workover wells in progress during the three months ended March 31, 2009 as compared to 0 workover wells completed, 0 new wells completed, 1 new well in progress

and 8 workover wells in progress for the three months ended March 31, 2008 on the Waddell Ranch properties.

Lease operating expense and property taxes totaled \$3.84 million for the first quarter of 2009, compared to \$4.15 million in the first quarter of 2008 on the Waddell Ranch properties. This decrease is primarily attributable to normal operating fluctuations.

Bank of America, N.A., Trustee
By:

Ron E. Hooper
Senior Vice President

