

Permian Basin Royalty Trust Financial Statements

Condensed Statements of Assets, Liabilities and Trust Corpus

	March 31, 2022 <i>(Unaudited)</i>	December 31, 2021
Assets		
Cash and short-term investments.....	\$ 2,002,689	\$ 2,248,527
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$10,638,671 and \$10,622,528 at March 31, 2022 and December 31, 2021, respectively).....	336,545	352,688
TOTAL ASSETS	\$ 2,339,234	\$ 2,601,215
Liabilities and Trust Corpus		
Distribution payable to Unit Holders.....	\$ 902,689	\$ 1,148,527
Commitments and reserves for contingencies.....	1,100,000	1,100,000
Trust corpus - 46,608,796 Units of beneficial interest authorized and outstanding.....	336,545	352,688
TOTAL LIABILITIES AND TRUST CORPUS	\$ 2,339,234	\$ 2,601,215

Condensed Statements of Distributable Income *(Unaudited)*

	Three Months Ended March 31, 2022	2021
Royalty income.....	\$ 4,078,645	\$ 2,124,157
Interest income.....	1,233	1,313
	4,079,878	2,125,470
General and administrative expenditures	(345,184)	(285,740)
Distributable income.....	\$ 3,734,694	\$ 1,839,730
Distributable income per Unit (46,608,796 Units).....	\$.08	\$.04

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

	Three Months Ended March 31, 2022	2021
Trust corpus, beginning of period.....	\$ 352,688	\$ 382,876
Amortization of net overriding royalty interests.....	(16,143)	(9,821)
Distributable income.....	3,734,694	1,839,730
Distributions declared.....	(3,734,694)	(1,839,730)
Total Trust Corpus, end of period	\$ 336,545	\$ 373,055
Distributions per Unit.....	\$.08	\$.04

Permian Basin Royalty Trust

1st
Quarter Report
2022

To Unit Holders:

For the quarter ended March 31, 2022, royalty income received by the Trust amounted to \$4,078,645 compared to royalty income of \$2,124,157 during the first quarter of 2021. The increase in royalty income is primarily attributable to an increase in oil and natural gas production and pricing for the quarter ended March 31, 2022. Average oil and gas prices were \$75.95 and \$4.52, respectively, for the quarter ending March 31, 2022 compared to \$44.08 and \$2.67 for the quarter ended March 31, 2021.

Interest income for the quarter ended March 31, 2022, was \$1,233 compared to \$1,313 during the first quarter of 2021. The decrease in interest income is primarily attributable to decreased amounts of funds available for investment. Total expenses during the first quarter of 2022 amounted to \$345,184 compared to \$285,740 during the first quarter of 2021. The increase in total expenses can be primarily attributed to increased expense for professional services and the timing of payment of expenses.

These transactions resulted in distributable income for the quarter ended March 31, 2022, of \$3,734,694 or \$0.08 per Unit of beneficial interest. Distributions of \$0.031614, \$0.029164 and \$0.019331 per Unit were made to Unit holders of record as of January 31, 2022, February 28, 2022, and March 31, 2022, respectively. For the first quarter of 2021, distributable income was \$1,839,730 or \$0.04 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 2021 and January 2022 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	2022	2021
Royalties:		
Oil sales (Bbls)	377,243	181,762
Gas sales (Mcf)	2,180,498	923,221
Properties From Which The Royalties Were Carved:		
Oil:		
Total oil sales (Bbls)	488,922	231,828
Average per day (Bbls)	5,432	2,576
Average price per Bbl	\$ 75.95	\$ 44.08
Gas:		
Total gas sales (Mcf)	2,898,454	1,223,891
Average per day (Mcf)	32,205	13,599
Average price per Mcf	\$ 4.52	\$ 2.67

The average received price of oil increased to an average price per barrel of \$75.95 per Bbl in the first quarter of 2022, compared to \$44.08 per Bbl in the first quarter of 2021 due to worldwide market variables. The Trustee has been advised by the operator of the Waddell Ranch properties that for the period of August 1, 1993, through March 31, 2022, the oil from the Waddell Ranch properties was being sold under a competitive bid to a third party. The average price of gas (including natural gas liquids) increased from \$2.67 per Mcf in the first quarter of 2021 to \$4.52 per Mcf in the first quarter of 2022 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 increased and gas sales volumes increased from the Underlying Properties (as defined in the Trust's Annual Report on Form 10-K for the year ended December 31, 2021) for the applicable period in 2022 compared to 2021.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the first quarter of 2022 totaled \$20.5 million as compared to \$9.5 million for the first quarter of 2021. Blackbeard has previously informed the Trustee that the 2022 capital expenditures budget has been approved at \$254 million (gross) for the Waddell Ranch properties. The total amount of capital expenditures for 2021 with regard to the Waddell Ranch properties totaled \$191 million (gross).

The Trustee has been advised that there were 11.6 workover wells completed, 10.9 new wells completed, 3.4 new wells in progress and 4.1 workover wells in progress during the three months ended March 31, 2022, as compared to 27 workover wells completed, 8 new wells completed, 8 new wells in progress and 9 workover wells in progress for the three months ended March 31, 2021, on the Waddell Ranch properties. There were various facility projects in progress for the first quarter of 2022.

Lease operating expenses and property taxes totaled \$9.5 million (gross) for the first quarter of 2021, compared to \$2.3 million (gross) for the same period in 2021 on the Waddell Ranch properties due to increased maintenance work.

Simmons Bank, Trustee

By:



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