

Permian Basin Royalty Trust Financial Statements

Condensed Statements of Assets, Liabilities and Trust Corpus

	March 31, 2023 <i>(Unaudited)</i>	December 31, 2022
Assets		
Cash and short-term investments	\$ 2,199,132	\$ 2,855,444
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$10,735,783 and \$10,695,783 at March 31, 2023 and December 31, 2022, respectively).....	239,433	279,433
TOTAL ASSETS	\$ 2,438,565	\$ 3,134,877
Liabilities and Trust Corpus		
Distribution payable to Unit Holders	\$ 1,099,132	\$ 1,755,444
Commitments and reserves for contingencies	1,100,000	1,100,000
Trust corpus – 46,608,796 Units of beneficial interest authorized and outstanding.....	239,433	279,433
TOTAL LIABILITIES AND TRUST CORPUS	\$ 2,438,565	\$ 3,134,877

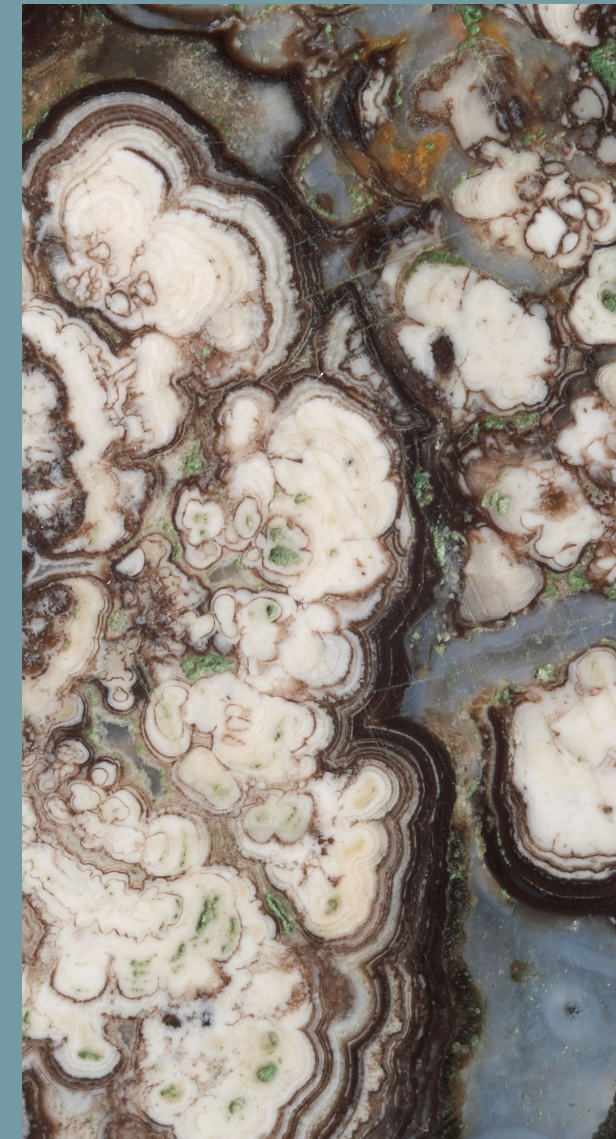
Condensed Statements of Distributable Income *(Unaudited)*

	Three Months Ended March 31, 2023	2022
Royalty income.....	\$ 5,206,602	\$ 4,078,645
Interest income.....	14,107	1,233
	5,220,709	4,079,878
General and administrative expenditures	(480,094)	(345,184)
Distributable income.....	\$ 4,740,615	\$ 3,734,694
Distributable income per Unit (46,608,796 Units).....	\$.10	\$.08

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

	Three Months Ended March 31, 2023	2022
Trust corpus, beginning of period	\$ 279,433	\$ 352,688
Amortization of net overriding royalty interests	(40,000)	(16,143)
Distributable income.....	4,740,615	3,734,694
Distributions declared.....	(4,740,615)	(3,734,694)
Total Trust Corpus, end of period	\$ 239,433	\$ 336,545
Distributions per Unit.....	\$.10	\$.08

Permian Basin Royalty Trust



1st
Quarter Report
2023

To Unit Holders:

For the quarter ended March 31, 2023, royalty income received by the Trust amounted to \$5,206,602 compared to royalty income of \$4,078,645 during the first quarter of 2022. 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, 2023. Average oil and gas prices were \$77.63 and \$3.19, respectively, for the quarter ending March 31, 2023 compared to \$75.95 and \$4.52 for the quarter ended March 31, 2022.

Interest income for the quarter ended March 31, 2023, was \$14,107 compared to \$1,233 during the first quarter of 2022. The increase in interest income is primarily attributable to increased amounts of funds available for investment and rising interest rates. Total expenses during the first quarter of 2023 amounted to \$480,094 compared to \$345,184 during the first quarter of 2022. 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, 2023, of \$4,740,615 or \$.10 per Unit of beneficial interest. Distributions of \$0.036797, \$0.041356 and \$0.023556 per Unit were made to Unit holders of record as of January 31, 2023, February 28, 2023, and March 31, 2023, respectively. For the first quarter of 2022, distributable income was \$3,734,694 or \$.08 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 2022 and January 2023 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	2023	2022
Royalties:		
Oil sales (Bbls)	519,492	377,243
Gas sales (Mcf)	2,829,662	2,180,498
Properties From Which The Royalties Were Carved:		
Oil:		
Total oil sales (Bbls)	676,790	488,922
Average per day (Bbls)	7,520	5,432
Average price per Bbl	\$ 77.63	\$ 75.95
Gas:		
Total gas sales (Mcf)	3,754,816	2,898,454
Average per day (Mcf)	41,720	32,205
Average price per Mcf	\$ 3.19	\$ 4.52

The average received price of oil increased to an average price per barrel of \$77.63 per Bbl in the first quarter of 2023, compared to \$75.95 per Bbl in the first quarter of 2022 due to worldwide market variables. The average price of gas (including natural gas liquids) decreased from \$4.52 per Mcf in the first quarter of 2022 to \$3.19 per Mcf in the first quarter of 2023 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 decreased from the Underlying Properties (as defined in the Trust's Annual Report on Form 10-K for the year ended December 31, 2022) for the applicable period in 2023 compared to 2022.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the first quarter of 2023 totaled \$35.2 million as compared to \$20.5 million for the first quarter of 2022. Blackbeard has previously informed the Trustee that the proposed 2023 capital expenditures budget will be \$96.8 million (net) for the Waddell Ranch properties. The total amount of capital expenditures for 2022 with regard to the Waddell Ranch properties totaled \$124 million (gross).

The Trustee has been advised that there were 6.8 workover wells completed, 11.3 new wells completed, 10.9 new wells in progress and 8 workover wells in progress during the three months ended March 31, 2023, as compared to 11.6 workover wells completed, 10.9 new wells completed, 3.4 new wells in progress and 4.1 workover wells in progress for the three months ended March 31, 2022, on the Waddell Ranch properties. There were various facility projects in progress for the first quarter of 2023. 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.

Lease operating expenses and property taxes totaled \$16.4 million (gross) for the first quarter of 2023, compared to \$9.5 million (gross) for the same period in 2022 on the Waddell Ranch properties due to increased maintenance work.

Argent Trust Company, Trustee

By:



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