PERMIAN BASIN ROYALTY TRUST FINANCIAL STATEMENTS

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

	September 30, 2013 (Unaudited)	December 31, 2012
Assets		
Cash and Short-term Investments	**$ 4,953,042**	$ 2,573,993
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of $10,182,808 and $10,149,267 at September 30, 2013 and December 31, 2012, respectively)	**792,408**	825,949
TOTAL ASSETS	**$ 5,745,450**	$ 3,399,942
Liabilities and Trust Corpus		
Distribution Payable to Unit Holders	**$ 4,953,042**	$ 2,573,993
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding	**792,408**	825,949
TOTAL LIABILITIES AND TRUST CORPUS	**$ 5,745,450**	$ 3,399,942

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended Sept. 30, 2013	Three Months Ended Sept. 30, 2012	Nine Months Ended Sept. 30, 2013	Nine Months Ended Sept. 30, 2012
Royalty Income	**$ 12,620,943**	$ 9,120,982	**$30,798,499**	$ 45,684,941
Interest Income	**98**	112	**354**	646
	12,621,041	9,121,094	**30,798,853**	45,685,587
General and Administrative Expenditures	**(145,855)**	(167,683)	**(1,004,442)**	(978,425)
Distributable Income	**$ 12,475,186**	$ 8,953,411	**29,794,411**	44,707,162
Distributable Income per Unit (46,608,796 Units)	**$ .27**	$ .19	**$ .64**	$ .96

CONDENSED STATEMENTS OF CHANGE IN TRUST CORPUS (UNAUDITED)

	Nine Months Ended Sept. 30, 2013	Nine Months Ended Sept. 30, 2012
Trust Corpus, Beginning of Period	**$ 825,949**	$ 891,576
Amortization of Net Overriding Royalty Interests	**(33,541)**	(53,334)
Distributable Income	**29,794,411**	44,707,162
Distributions Declared	**(29,794,411)**	(44,707,162)
Trust Corpus, End of Period	**$ 792,408**	$ 838,242
Distributions per Unit	**$ .64**	$ .96

PERMIAN BASIN ROYALTY TRUST

3rd
Quarter Report
2013

TO UNIT HOLDERS:

For the quarter ended September 30, 2013 royalty income received by the Trust amounted to $12,620,943 compared to royalty income of $9,120,982 during the third quarter of 2012. The increase in royalty income is primarily attributable to an increase in average oil and gas prices for the quarter ending September 30, 2013 to $96.18 and $6.20, respectively, as compared to the quarter ending September 30, 2012 of $81.88 per Bbl and $5.13 per Mcf, respectively.

Interest income for the quarter ended September 30, 2013, was $98 compared to $112 during the third quarter of 2012. The decrease in interest income is primarily attributable to lower interest rates. General and administrative expenses during the third quarter of 2013 amounted to $145,855 compared to $167,683 during the third quarter of 2012. The decrease in general and administrative expenses can be primarily attributed to decreased professional expenses.

These transactions resulted in distributable income for the quarter ended September 30, 2013 of $12,475,186 or $.27 per Unit of beneficial interest. Distributions of $.072057, $.089331 and $.106268 per Unit were made to Unit holders of record as of July 31, 2013, August 30, 2013 and September 30, 2013, respectively. For the third quarter of 2012, distributable income was $8,953,411 or $.19 per Unit of beneficial interest.

Royalty income for the Trust for the third quarter of the calendar year is associated with actual oil and gas production for the period of May, June and July of 2013 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:

THIRD QUARTER	2013	2012
PRODUCTION:		
Oil sales (Bbls)	**114,794**	102,191
Gas sales (Mcf)	**209,046**	216,868
PRODUCT FROM WHICH THE ROYALTIES WERE CARVED:		
Oil:		
Total oil sales (Bbls)	**284,178**	260,281
Average per day (Bbls)	**3,092**	2,829
Average price per Bbl	**$ 96.18**	$ 81.88
Gas:		
Total gas sales (Mcf)	**688,350**	974,074
Average per day (Mcf)	**7,482**	10,588
Average price per Mcf	**$ 6.20**	$ 5.13

The average received price of oil increased to an average price per barrel of $96.18 per Bbl in the third quarter of 2013 compared to $81.88 per Bbl in the third quarter of 2012 due to worldwide market variables. The Trustee has been advised by ConocoPhillips that for the period of August 1, 1993, through September 30, 2013, 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 $5.13 per Mcf in the third quarter of 2012 to $6.20 in the third quarter of 2013 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, 2012) for the applicable period in 2013 compared to 2012.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the third quarter of 2013 totaled $9.4 million (gross) as compared to $9.2 million (gross) for the third quarter of 2012. ConocoPhillips has informed the Trustee that the 2013 capital expenditures budget has been stated at $93.9 million (gross total project) for the Waddell Ranch properties. The total amount of capital expenditures for 2012 with regard to the Waddell Ranch properties totaled $65.8 million (gross total project). Through the third quarter of 2013, capital expenditures of $29.5 million (gross) have been expended.

The Trustee has been advised that there were 2 wells completed and 5 wells in progress, and 18 workover wells completed and 5 workover wells in progress, during the three months ended September 30, 2013 as compared to 1 well completed and 2 wells in progress, and 20 workover wells completed and 10 workover wells in progress for the three months ended September 30, 2012 on the Waddell Ranch properties. There were 5 facility projects completed and 15 projects in progress for the third quarter of 2013.

Lease operating expenses and property taxes totaled $6.9 million (gross) for the third quarter of 2013, compared to $5.2 million (gross) for the same period in 2012 on the Waddell Ranch properties due to increased maintenance and work on the Waddell Ranch.

SIX MONTHS ENDED SEPTEMBER 30, 2013

For the nine months ended September 30, 2013, royalty income received by the Trust amounted to $30,798,499 compared to royalty income of $45,684,941 for the nine months ended September 30, 2012. The decrease in royalty income is primarily due to the substantially increased capital expenditure program in 2013 which has decreased proceeds to the trust due to the net profit interest calculation and to a decrease in oil and gas prices in the first nine months of 2013, compared to the first nine months in 2012.

Interest income for the nine months ended September 30, 2013 was $354 compared to $646 for the nine months ended September 30, 2012. The decrease in interest income is attributable primarily to less funds available to invest. General and administrative expenses for the nine months ended September 30, 2013 were $1,004,442. During the nine months ended September 30, 2012, general and administrative expenses were $978,425. The increase in general and administrative expenses is primarily due to increased professional expenses.

These transactions resulted in distributable income for the nine months ended September 30, 2013 of $29,794,411, or $.64, per Unit. For the nine months ended September 30, 2012, distributable income was $44,707,162, or $.96, per Unit.

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

Ron E. Hooper
Senior Vice President