

Permian Basin Royalty Trust Financial Statements

Condensed Statements of Assets, Liabilities and Trust Corpus

	March 31, 2025 <i>(Unaudited)</i>	December 31, 2024
Assets		
Cash and short-term investments	\$ 1,948,624	\$ 2,122,585
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$10,811,451 and \$10,810,809 at March 31, 2025 and December 31, 2024, respectively)	163,765	164,407
TOTAL ASSETS.....	\$ 2,112,389	\$ 2,286,992
Liabilities and Trust Corpus		
Distribution payable to Unitholders.....	\$ 848,624	\$ 1,022,585
Commitments and reserves for contingencies.....	1,100,000	1,100,000
Total liabilities.....	1,948,624	2,122,585
Trust corpus – 46,608,796 Units of beneficial interest authorized and outstanding	163,765	164,407
TOTAL LIABILITIES AND TRUST CORPUS.....	\$ 2,112,389	\$ 2,286,992

Condensed Statements of Distributable Income *(Unaudited)*

	Three Months Ended March 31, 2025	2024
Royalty income	\$ 3,054,697	\$ 6,005,642
Interest income.....	16,523	39,048
	3,071,220	6,044,690
General and administrative expenditures	(475,008)	(552,484)
Distributable income.....	\$ 2,596,212	\$ 5,492,206
Distributable income per Unit (46,608,796 Units)	\$ 0.06	\$ 0.12

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

	Three Months Ended March 31, 2025	2024
Trust corpus, beginning of period	\$ 164,407	\$ 221,474
Amortization of net overriding royalty interests	(642)	(11,849)
Distributable income	2,596,212	5,492,206
Distributions declared	(2,596,212)	(5,492,206)
Total Trust Corpus, end of period	\$ 163,765	\$ 209,625
Distributions per Unit	\$ 0.06	\$ 0.12

Permian Basin Royalty Trust

To Unitholders:

For the quarter ended March 31, 2025, royalty income received by the Trust amounted to \$3,054,697 compared to royalty income of \$6,005,642 during the first quarter of 2024. Due to Blackbeard refusing to provide the Trustee information necessary to calculate the net proceeds as of the NYSE notification date beginning May 2024, pricing information for the Waddell Ranch properties is for December 2024, January and February 2025 (reflecting the period for which proceeds were distributed to Unitholders in the first quarter of 2025). For the Waddell Ranch properties, the average realized oil and gas prices were \$68.83 per barrel (Bbl) and \$1.66 per thousand cubic feet (Mcf), respectively for the three months ended February 28, 2025, compared to \$73.08 and \$2.01 for the three months ended March 31, 2024. For the Texas Royalty properties, the average realized oil and gas prices were \$68.96 per Bbl and \$8.61 per Mcf, respectively for the quarter ended March 31, 2025, compared to \$75.17 per Bbl and \$9.09 per Mcf, respectively for the quarter ended March 31, 2024. The lower royalty income reported in the three months ended March 31, 2025, compared to the same time period in 2024 is attributable to a deficit position in the first quarter of 2025, resulting in no royalty income being received from the Waddell Ranch properties due to an excess in working interest costs during the first quarter of 2025. No deficit position existed during the first quarter of 2024, and royalty income was received from the Waddell Ranch properties during such period. Blackbeard continues to refuse to provide information regarding monthly net proceeds in time for the monthly distribution announcement.

Interest income for the quarter ended March 31, 2025 was \$16,523 compared to \$39,048 during the first quarter of 2024. The decrease in interest income is primarily attributable to decreased amounts of funds available for investment. Total expenses during the first quarter of 2025 amounted to \$475,008 compared to \$552,484 during the first quarter of 2024. The decrease in total expenses can be primarily attributed to the timing of payment of expenses.

These transactions resulted in distributable income for the quarter ended March 31, 2025 of \$2,596,212

or \$0.06 per Unit outstanding of beneficial interest. Distributions of \$0.020510, \$0.017144 and \$0.018047 per Unit were made to Unitholders of record as of January 31, 2025, February 28, 2025, and March 31, 2025, respectively. For the first quarter of 2024, distributable income was \$5,492,206 or \$0.12 per Unit outstanding of beneficial interest.

Notwithstanding requests from the Trustee to Blackbeard, the operator of the Waddell Ranch properties, Blackbeard has refused to provide the Trustee information necessary to calculate the net proceeds as of the NYSE notification date beginning May 2024 such that royalty income for the Trust for the first quarter of the calendar year is associated with actual oil and gas production for October, November, and December 2024 for the Waddell Ranch properties from which “Royalties” were carved. Royalty income for the Trust for the first quarter of the calendar year for the Texas Royalty properties is associated with actual oil and gas production from November 2024 through January 2025.

Beginning in May 2024, Blackbeard has also refused to provide production, product sales, capital expenditure, and development information for the Waddell Ranch properties from which the Trust’s Royalties are carved for each distribution month, information Blackbeard has previously provided on a monthly basis since Argent Trust Company has become Trustee of the Trust. Blackbeard has opted to provide this information quarterly, approximately 30 days after the end of each fiscal quarter. On April 30, 2025, Blackbeard provided the Trustee a quarterly statement showing the production volumes and computation of net proceeds to the Trust for each month of the quarter ended March 31, 2025. Oil and gas sales attributable to the Royalties and the properties from which the Royalties were carved are as follows:

FIRST QUARTER	2025	2024	2025	2024
	Waddell Ranch	Waddell Ranch	Texas Royalty	Texas Royalty
ROYALTIES:				
Oil sales (Bbls) ^(1,2)	627,801	561,977	43,340	44,978
Gas sales (Mcf)	3,406,586	3,204,233	26,449	21,818
PROPERTIES FROM WHICH THE ROYALTIES WERE CARVED:				
OIL:				
Total oil sales (Bbls)	837,068	749,302	48,985	50,504
Average per day (Bbls)	9,301	8,234	544	549
Average price per Bbl \$	68.83	\$ 73.08	\$ 68.96	\$ 75.17
GAS:				
Total gas sales (Mcf)	4,542,114	4,272,312	29,913	24,453
Average per day (Mcf)	50,468	46,948	332	266
Average price per Mcf \$	1.66	\$ 2.01	\$ 8.61	\$ 9.09

1) Production sales and the average pricing relate to the period December 2024 through February 2025 for Waddell Ranch.
2) Please refer to the “Results of Operations” discussion for more details.

For the Texas Royalty properties, the average realized price of oil decreased to \$68.96 per Bbl in the first quarter of 2025, compared to \$75.17 per Bbl in the first quarter of 2024 due to worldwide market variables. The average realized price of gas (including natural gas liquids) for the Texas Royalty properties decreased from \$9.09 per Mcf in the first quarter of 2024 to \$8.61 per Mcf in the first quarter of 2025 in part 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 always provide a meaningful comparison. However, for the Texas Royalty properties, oil volumes slightly decreased and gas volumes increased from the underlying properties for the applicable period in 2025 compared to 2024, while for the Waddell Ranch properties, oil volumes and natural gas volumes (including plant products) increased for the applicable period in 2025 compared to 2024.

Blackbeard advised the Trustee that capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the first quarter of 2025 totaled \$47.9 million (gross) as compared to \$28.3 million (gross) for the first quarter of 2024. The three months ended March 31, 2025, for the Waddell Ranch properties includes October through December 2024 expenditures only. Blackbeard has not

provided updated 2025 capital expenditures budget information and has revoked its consent with respect to previously provided 2024 budget information.

Development information for the Waddell Ranch properties such as well completions, workovers, remedial activities, and plugging and abandonment, was not provided by Blackbeard. This information has previously been provided monthly since Argent Trust Company has become Trustee of the Trust until May 2024.

Blackbeard advised the Trustee that lease operating expenses and property taxes totaled \$21.4 million (gross) for the first quarter of 2025, compared to \$22.8 million (gross) for the same period in 2024 on the Waddell Ranch properties. The quarter ended March 31, 2025, for the Waddell Ranch properties includes October through December 2024 expenses only.

Argent Trust Company, Trustee

By:

Jana Egeler

Jana Egeler
Vice President,
Royalty Trust Management

