

# Permian Basin Royalty Trust Financial Statements

## Condensed Statements of Assets, Liabilities and Trust Corpus

	June 30, 2025 (Unaudited)	December 31, 2024
<b>Assets</b>		
Cash and short-term investments .....	\$ 1,704,817	\$ 2,122,585
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$10,812,094 and \$10,810,809 at June 30, 2025 and December 31, 2024, respectively) .....	163,122	164,407
<b>TOTAL ASSETS</b> .....	<b>\$ 1,867,939</b>	<b>\$ 2,286,992</b>

### Liabilities and Trust Corpus

Distribution payable to Unitholders .....	\$ 604,817	\$ 1,022,585
Commitments and reserves for contingencies .....	1,100,000	1,100,000
Total liabilities .....	1,704,817	2,122,585
Trust corpus – 46,608,796 Units of beneficial interest authorized and outstanding .....	163,122	164,407
<b>TOTAL LIABILITIES AND TRUST CORPUS</b> .....	<b>\$ 1,867,939</b>	<b>\$ 2,286,992</b>

## Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Royalty income .....	\$ 3,089,889	\$ 8,803,389	\$ 6,144,586	\$ 14,809,031
Interest income .....	15,751	29,106	32,274	68,153
	3,105,640	8,832,495	6,176,860	14,877,184
General and administrative expenditures .....	(708,385)	(395,807)	(1,183,393)	(948,290)
Distributable income .....	\$ 2,397,255	\$ 8,436,688	\$ 4,993,467	\$ 13,928,894
Distributable income per Unit (46,608,796 Units) ..	\$ 0.05	\$ 0.18	\$ 0.11	\$ 0.30

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Trust Corpus, beginning of period .....	\$ 163,765	\$ 209,625	\$ 164,407	\$ 221,474
Amortization of net overriding royalty interests ..	(643)	(12,000)	(1,285)	(23,849)
Distributable income .....	2,397,255	8,436,688	4,993,467	13,928,894
Distributions declared .....	(2,397,255)	(8,436,688)	(4,993,467)	(13,928,894)
Trust Corpus, end of period .....	\$ 163,122	\$ 197,625	\$ 163,122	\$ 197,625
Distributable income per Unit (46,608,796 Units) ..	\$ 0.05	\$ 0.18	\$ 0.11	\$ 0.30

# Permian Basin Royalty Trust

2<sup>nd</sup>  
Quarter Report  
**2025**

To Unitholders:

For the quarter ended June 30, 2025, royalty income received by the Trust amounted to \$3,089,889 compared to royalty income of \$8,803,389 during the second 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 March, April and May 2025 (reflecting the period for which proceeds would have been distributed to Unitholders in the second quarter of 2025). For the Waddell Ranch properties, the average realized oil and gas prices were \$70.27 per barrel (Bbl) and \$2.41 per thousand cubic feet (Mcf), respectively for the three months ended May 31, 2025, compared to \$73.40 and \$1.83 for the months of April and May 2024 (reflecting the two months for which proceeds were distributed to Unitholders in the second quarter of 2024). The average realized price of gas was calculated by dividing the total gas and plant product sales by the total gas and plant product volumes (converted to an Mcf equivalent). For the Texas Royalty properties, the average realized oil and gas prices were \$68.61 per Bbl and \$10.15 per Mcf, respectively for the quarter ended June 30, 2025, compared to \$78.00 per Bbl and \$10.04 per Mcf, respectively for the quarter ended June 30, 2024. The lower royalty income reported in the three months ended June 30, 2025, compared to the same time period in 2024 is attributable to a deficit position in the second 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 second quarter of 2025. No deficit position existed during the second 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 June 30, 2025 was \$15,751 compared to \$29,106 during the second quarter of 2024. The decrease in interest income is primarily attributable to decreased amounts of funds available for investment. Total expenses during the second quarter of 2025 amounted to \$708,385 compared to \$395,807 during the second quarter of 2024. The increase in total expenses can be primarily attributed to increased expenses for professional services associated with legal proceedings with Blackbeard.

These transactions resulted in distributable income for the quarter ended June 30, 2025 of \$2,397,255 or \$0.05 per Unit outstanding of beneficial interest. Distributions of \$0.019615, \$0.018841 and \$0.012976 per Unit were made to Unitholders of record as of April 30, 2025, May 31, 2025, and June 30, 2025, respectively. For the second quarter of 2024, distributable income was \$8,436,688 or \$0.18 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 second quarter of the calendar year is associated with actual oil and gas production for January, February, and March 2025 for the Waddell Ranch properties from which “Royalties” were carved. Royalty income for the Trust for the second quarter of the calendar year for the Texas Royalty properties is associated with actual oil and gas production from February, March, and April 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 July 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 June 30, 2025. For the quarter ended June 30, 2024, only the months of April and May are shown below, as those were the only two months for which the Trust received information in time to distribute proceeds for the Waddell Ranch properties during the second quarter of 2024. Oil and gas sales attributable to the Royalties and the properties from which the Royalties were carved are as follows:

	THREE MONTHS ENDED JUNE 30,			
	2025	2025	2024	2024
	Waddell Ranch	Texas Royalty	Waddell Ranch	Texas Royalty
ROYALTIES:				
Oil sales (Bbls)	769,274	43,341	373,390	44,060
Gas sales (Mcf)	3,659,384	27,163	2,169,081	21,782
PROPERTIES FROM WHICH THE ROYALTIES WERE CARVED:				
OIL:				
Total oil sales (Bbls)	1,025,699	48,966	497,854	49,394
Average per day (Bbls)	11,397	544	8,162	543
Average price per Bbl	\$ 70.27	\$ 68.61	\$ 73.40	\$ 78.00
GAS:				
Total gas sales (Mcf)	4,879,179	30,683	2,892,109	24,426
Average per day (Mcf)	54,213	341	47,412	268
Average price per Mcf	\$ 2.41	\$ 10.15	\$ 1.83	\$ 10.04

For the Waddell Ranch properties, the average realized price of oil decreased to \$70.27 per Bbl for the production months of January through March 2025 compared to \$73.40 per Bbl for February and March of 2024 due to worldwide market variables. The average realized price of gas increased to \$2.41 per Mcf for the production months of January through March 2025 from \$1.83 per Mcf for the production months of February and March of 2024.

For the Texas Royalty properties, the average realized price of oil decreased to \$68.61 per Bbl in the second quarter of 2025, compared to \$78.00 per Bbl in the second quarter of 2024 due to worldwide market variables. The average realized price of gas (including natural gas liquids) for the Texas Royalty properties increased from \$10.04 per Mcf in the second quarter of 2024 to \$10.15 per Mcf in the second 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 second quarter of 2025 totaled \$61.3 million (gross) as compared to \$15.6 million (gross) for the second quarter of 2024. The three months ended June 30, 2025, for the Waddell Ranch properties includes January through March 2025 expenditures, whereas the three months ended June 30, 2024 includes April and May 2024 expenditures only. Blackbeard has not provided updated 2025 capital expenditures 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 \$19.8 million (gross) for the second quarter of 2025, compared to \$14.7 million (gross) for the same period in 2024 on the Waddell Ranch properties. The quarter ended June 30, 2025, for the Waddell Ranch properties includes January through March 2025 expenditures, whereas the three months ended June 30, 2024 includes April and May 2024 expenditures only.

Six Months Ended June 30, 2025

For the six months ended June 30, 2025, royalty income received by the Trust amounted to \$6,144,586 compared to royalty income of \$14,809,031 for the six months ended June 30, 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 the six month period of December 2024 through May 2025 (reflecting the period for which proceeds would have been distributed to Unitholders in the first six months of 2025). The average realized oil and gas prices for the Waddell Ranch properties were \$69.55 per Bbl and \$2.06 per Mcf, respectively for the six months ended June 30, 2025, compared to \$74.75 per Bbl and \$1.87 per Mcf for the six months ended June 30, 2024. For the Texas Royalty properties, the average realized oil and gas prices were \$68.78 per Bbl and \$9.36 per Mcf, respectively for the six months ended June 30, 2025, compared to \$76.53 per Bbl and \$9.35 per Mcf, respectively for the six months ended June 30, 2024. The decrease in royalty income reported in the six months ended June 30, 2025, compared to the six months ended June 30, 2024 is attributable to the deficit position of the Waddell Ranch properties due to an excess in working interest costs during the first six months of 2025. No deficit position existed during the first six months of 2024 and royalty income was received from the Waddell Ranch properties for the months of January through May of 2024.

Interest income for the six months ended June 30, 2025, was \$32,274 compared to \$68,153 during the six months ended June 30, 2024. The decrease in interest income is primarily attributable to a decrease in the amounts of funds available for investment and the length of time of such investment. Total expenses during the six months ended June 30, 2025, amounted to \$1,183,393 compared to \$948,290 during the six months ended June 30, 2024. The increase in total expenses can be primarily attributed to increased expenses for professional services associated with legal proceedings with Blackbeard.

These transactions resulted in distributable income for the six months ended June 30, 2025 of \$4,993,467, or \$0.11 per Unit. For the six months ended June 30, 2024, distributable income was \$13,928,894 or \$0.30 per Unit.

Argent Trust Company, Trustee

By:

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