

Permian Basin Royalty Trust Financial Statements

Condensed Statements of Assets, Liabilities and Trust Corpus

	September 30, 2025 <i>(Unaudited)</i>	December 31, 2024
Assets		
Cash and short-term investments	\$ 6,493,208	\$ 2,122,585
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$10,812,793 and \$10,810,809 at September 30, 2025 and December 31, 2024, respectively)	162,423	164,407
TOTAL ASSETS	\$ 6,655,631	\$ 2,286,992
Liabilities and Trust Corpus		
Distribution payable to Unitholders.....	\$ 5,393,208	\$ 1,022,585
Commitments and reserves for contingencies.....	1,100,000	1,100,000
Total liabilities.....	6,493,208	2,122,585
Trust corpus – 46,608,796 Units of beneficial interest authorized and outstanding	162,423	164,407
TOTAL LIABILITIES AND TRUST CORPUS.....	\$ 6,655,631	\$ 2,286,992

Condensed Statements of Distributable Income *(Unaudited)*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Royalty income	\$ 7,258,464	\$ 8,366,375	\$ 13,403,049	\$ 23,175,406
Interest income.....	15,049	54,534	47,324	122,688
	7,273,513	8,420,909	13,450,373	23,298,094
General and administrative expenditures	(411,626)	(367,625)	(1,595,019)	(1,315,916)
Distributable income	\$ 6,861,887	\$ 8,053,284	\$ 11,855,354	\$ 21,982,178
Distributable income per Unit (46,608,796 Units) ..	\$ 0.15	\$ 0.17	\$ 0.25	\$ 0.47

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Trust Corpus, beginning of period.....	\$ 163,122	\$ 197,625	\$ 164,407	\$ 221,474
Amortization of net overriding royalty interests ..	(699)	(12,000)	(1,984)	(35,849)
Distributable income	6,861,887	8,053,284	11,855,354	21,982,178
Distributions declared	(6,861,887)	(8,053,284)	(11,855,354)	(21,982,178)
Trust Corpus, end of period	\$ 162,423	\$ 185,625	\$ 162,423	\$ 185,625
Distributable income per Unit (46,608,796 Units) ..	\$ 0.15	\$ 0.17	\$ 0.25	\$ 0.47



To Unitholders:

For the quarter ended September 30, 2025, royalty income received by the Trust amounted to \$7,258,464 compared to royalty income of \$8,366,375 during the third quarter of 2024. The royalty income for the three months ended September 30, 2025 includes the \$4.5 million partial settlement payment from Blackbeard. Pricing information for the Waddell Ranch properties is for June, July, and August 2025 (reflecting the period for which proceeds would have been distributed to Unitholders in the third quarter of 2025). For the Waddell Ranch properties, the average realized oil and gas prices were \$62.32 per barrel (Bbl) and \$1.35 per thousand cubic feet (Mcf), respectively for the three months ended August 31, 2025, compared to \$79.91 per Bbl and \$1.19 per Mcf for the three months ended August 31, 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 \$65.20 per Bbl and \$8.65 per Mcf, respectively for the quarter ended September 30, 2025, compared to \$79.06 per Bbl and \$10.54 per Mcf, respectively for the quarter ended September 30, 2024. The lower royalty income reported in the three months ended September 30, 2025, compared to the same time period in 2024 is attributable to a deficit position in the third quarter of 2025, resulting in no royalty income being received from the Waddell Ranch properties due to an excess in working interest costs and lower oil pricing during the third quarter of 2025, somewhat offset by the partial settlement payment of \$4.5 million received in September 2025. No deficit position existed during the third quarter of 2024, and royalty income was received from the Waddell Ranch properties during such period.

Interest income for the quarter ended September 30, 2025 was \$15,049 compared to \$54,534 during the third quarter of 2024. The decrease in interest income is primarily attributable to decreased amounts of funds available for investment as well as lower interest rates. Total expenses during the third quarter of 2025 amounted to \$411,626 compared to \$367,625 during the third 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 September 30, 2025 of \$6,861,887 or \$0.15 per Unit outstanding of beneficial interest. Distributions of \$0.015311, \$0.016418, and \$0.115493 per Unit were made to Unitholders of record as of July 31, 2025, August 29, 2025, and September 30, 2025, respectively. The September

distribution includes the first installment, in the amount of \$4.5 million, of the settlement agreed upon between the Trust and Blackbeard to end the lawsuit filed in 2024. For the third quarter of 2024, distributable income was \$8,053,284 or \$0.17 per Unit outstanding of beneficial interest.

From and after May 2024, Blackbeard has provided, and will continue to provide, information to calculate net proceeds during the last week of the month. In accordance with the Trust Indenture, if royalty income is received on or just prior to the record date, it will be included in the following month's distribution, rather than the current month's distribution. As such, royalty income reporting for the Waddell Ranch properties is one month in arrears. Royalty income for the Trust for the third quarter of the calendar year is associated with actual oil and gas production for April, May, and June 2025 for the Waddell Ranch properties from which "Royalties" were carved. Royalty income for the Trust for the third quarter of the calendar year for the Texas Royalty properties is associated with actual oil and gas production from May, June, and July 2025.

Beginning in May 2024, Blackbeard has provided 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 on a quarterly basis, as required in the conveyance, approximately 30 days after the end of each fiscal quarter. On October 30, 2025, Blackbeard provided the Trustee with a quarterly statement showing the production volumes and computation of net proceeds to the Trust for each month of the quarter ended September 30, 2025. Oil and gas sales attributable to the Royalties and the properties from which the Royalties were carved are as follows:

	THREE MONTHS ENDED SEPTEMBER 30,			
	2025	2025	2024	2024
	Waddell Ranch	Texas Royalty	Waddell Ranch	Texas Royalty
ROYALTIES:				
Oil sales (Bbls)	913,912	40,779	533,073	47,389
Gas sales (Mcf)	4,072,978	29,651	3,387,875	17,343
PROPERTIES FROM WHICH THE ROYALTIES WERE CARVED:				
OIL:				
Total oil sales (Bbls)	1,218,549	46,424	710,764	52,892
Average per day (Bbls)	13,245	516	7,726	575
Average price per Bbl \$	62.32	\$ 65.20	\$ 79.91	\$ 79.06
GAS:				
Total gas sales (Mcf)	5,430,638	33,730	4,517,167	19,360
Average per day (Mcf)	59,029	375	49,100	210
Average price per Mcf \$	1.35	\$ 8.65	\$ 1.19	\$ 10.54

For the Waddell Ranch properties, the average realized price of oil decreased to \$62.32 per Bbl for the production months of April through June 2025 compared to \$79.91 per Bbl for April through June of 2024 due to worldwide market variables. The average realized price of gas (including plant products) increased to \$1.35 per Mcf for the production months of April through June 2025 from \$1.19 per Mcf for the production months of April through June of 2024.

For the Texas Royalty properties, the average realized price of oil decreased to \$65.20 per Bbl in the third quarter of 2025, compared to \$79.06 per Bbl in the third quarter of 2024 due to worldwide market variables. The average realized price of gas (including natural gas liquids) for the Texas Royalty properties decreased to \$8.65 per Mcf in the third quarter of 2025 to \$10.54 per Mcf in the third quarter of 2024 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 third quarter of 2025 totaled \$53.3 million (gross) as compared to \$24.0 million (gross) for the third quarter of 2024. The three months ended September 30, 2025 and 2024 include expenditures for the production months of April through June. Blackbeard does not provide capital expenditures budget information or development information for the Waddell Ranch properties such as well completions, workovers, remedial activities, and plugging and abandonment.

Blackbeard advised the Trustee that lease operating expenses and property taxes totaled \$26.6 million (gross) for the third quarter of 2025, compared to \$22.6 million (gross) for the same period in 2024 on the Waddell Ranch properties. The quarter ended September 30, 2025 and September 30, 2024, for the Waddell Ranch properties includes April through June expenditures.

Nine Months Ended September 30, 2025

For the nine months ended September 30, 2025, royalty income received by the Trust amounted to \$13,403,049 compared to

royalty income of \$23,175,406 for the nine months ended September 30, 2024. The royalty income for the nine months ended September 30, 2025, includes the \$4.5 million partial settlement payment from Blackbeard. Pricing information for the Waddell Ranch properties is for the nine month period of December 2024 through August 2025 (reflecting the period for which proceeds would have been distributed to Unitholders in the first nine months of 2025). The average realized oil and gas prices for the Waddell Ranch properties were \$66.68 per Bbl and \$1.80 per Mcf, respectively for the nine months ended September 30, 2025 compared to \$76.62 per Bbl and \$1.61 per Mcf for the eight months ended August 31, 2024. For the Texas Royalty properties, the average realized oil an gas prices were \$67.66 per Bbl and \$9.11 per Mcf, respectively for the nine months ended September 30, 2025 compared to \$77.40 per Bbl and \$9.69 per Mcf, respectively for the nine months ended September 30, 2024. The decrease in royalty income reported in the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 is attributable to the deficit position of the Waddell Ranch properties due to an excess in working interest costs during the first nine months of 2025, somewhat offset by the partial settlement payment of \$4.5 million received in September 2025. No deficit position existed during the first nine months of 2024.

Interest income for the nine months ended September 30, 2025, was \$47,324 compared to \$122,688 during the nine months ended September 30, 2024. The decrease in interest income is primarily attributable to a decrease in the amounts of funds available for investment and the decrease in interest rates. Total expenses during the nine months ended September 30, 2025, amounted to \$1,595,019 compared to \$1,315,916 during the nine months ended September 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 nine months ended September 30, 2025 of \$11,855,354, or \$0.25 per Unit. For the nine months ended September 30, 2024, distributable income was \$21,982,178 or \$0.47 per Unit.

Argent Trust Company, Trustee
By:

Nancy Willis

By: Nancy Willis
Director of Royalty Trust Services