

### HUGOTON ROYALTY TRUST ANNOUNCES SECOND INTERIM FINAL AWARD FROM ARBITRATION PANEL

**Dallas, Texas, May 20, 2021** – Simmons Bank, as Trustee of the Hugoton Royalty Trust (OTCQB:HGT XU) (the “Trust”), today announced that the second interim final award has been issued by the arbitration panel (the “Panel”) with respect to the Trustee’s arbitration with XTO Energy Inc. (“XTO Energy”) over the amount of XTO Energy’s settlement in the *Chieftain* class action lawsuit that can be charged to the Trust as a production cost. The Panel in its decision has ruled that out of the \$80 million settlement, the “Trust is obligated to pay its share under the Conveyance of the \$48 million that was received by the plaintiffs in the *Chieftain* lawsuit by virtue of the settlement of that litigation. The Trust is not obligated by the Conveyance to pay any share of the \$32 million received by the lawyers for the plaintiffs in the *Chieftain* lawsuit by virtue of the settlement.” The final amount owed will be considered an excess cost on the Oklahoma conveyance. XTO Energy and the Trustee are in the process of determining the portion of the \$48 million that is allocable Trust properties to be charged as an excess cost to the Trust, but estimate it to be approximately \$14.6 million.

As previously disclosed, XTO Energy advised the Trustee that it reached a settlement with the plaintiffs in the *Chieftain* class action royalty case. On July 27, 2018, the final plan of allocation was approved by the court. Based on the final plan of allocation, XTO Energy advised the Trustee that it believes approximately \$24.3 million in additional production costs should be allocated to the Trust. On May 2, 2018, the Trustee submitted a demand for arbitration seeking a declaratory judgment that the *Chieftain* settlement is not a production cost and that XTO Energy is prohibited from charging the settlement as a production cost under the conveyance or otherwise reducing the Trust’s payments now or in the future as a result of the *Chieftain* litigation. The Trust and XTO conducted the interim hearing on the claims related to the *Chieftain* settlement on October 12-13, 2020. In the arbitration, the Trustee contended that the approximately \$24.3 million allocation related to the *Chieftain* settlement was not a production cost and, therefore, there should not be a related adjustment to the Trust’s share of net proceeds. However, XTO Energy contended that the approximately \$24.3 million was a production cost and should reduce the Trust’s share of net proceeds.

On January 20, 2021, the Panel issued its Corrected Interim Final Award (i) “reject[ing] the Trust’s contention that XTO has no right under the Conveyance to charge the Trust with amounts XTO paid under section 1.18(a)(i) as royalty obligations to settle the *Chieftain* litigation” and (ii) stating “[t]he next phase will determine how much of the *Chieftain* settlement can be so charged, if any of it can be, in the exercise of the right found by the Panel.” Following briefing by both parties, the Panel issued its second interim final award described above.

# Hugoton Royalty Trust

The Oklahoma conveyance is already currently subject to excess costs that will need to be recovered prior to any distribution to unitholders. Therefore, the reduction in the Trust's share of net proceeds from the portion of the settlement amount the arbitration Panel has ruled may be charged against the Oklahoma conveyance would result in additional excess costs under the Oklahoma conveyance that would likely result in no distributions under the Oklahoma conveyance for several additional years while these additional excess costs are recovered. This award completes the portion of the arbitration related to the *Chieftain* settlement.

Other Trustee claims related to disputed amounts on the computation of the Trust's net proceeds for 2014 through 2016 were bifurcated from the initial arbitration and will be heard at a later date, which is still to be determined.

For more information on the Trust, please visit our web site at [www.hgt-hugoton.com](http://www.hgt-hugoton.com).

*Statements made in this press release regarding future events or conditions are forward looking statements. Actual future results, including development costs and future net profits, could differ materially due to changes in natural gas prices and other economic conditions affecting the gas industry and other factors described in Part I, Item 1A of the Trust's Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent Form 10-Q for the quarter ended March 31, 2021.*

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