

HUGOTON ROYALTY TRUST DECLARES JULY CASH DISTRIBUTION

Dallas, Texas, July 20, 2012 – U.S. Trust, Bank of America Private Wealth Management, as Trustee of the Hugoton Royalty Trust (NYSE – HGT), today declared a cash distribution to the holders of its units of beneficial interest of \$0.034537 per unit, payable on August 14, 2012, to unitholders of record on July 31, 2012. The following table shows underlying gas sales and average prices attributable to the net overriding royalty payments made by XTO Energy Inc. (XTO Energy) to the Trust for both the current month and prior month distributions. Underlying gas sales volumes attributable to the current month distribution were primarily produced in May.

	Underlying Gas Sales Volumes (Mcf) ^(a)		Average Gas Price per Mcf
	Total	Daily	
Current Month Distribution	1,669,000	54,000	\$ 2.57
Prior Month Distribution	1,657,000	55,000	\$ 2.69

(a) Sales volumes are recorded in the month the trust receives the related net profits income. Because of this, sales volumes may fluctuate from month to month based on the timing of cash receipts.

XTO Energy has advised the trustee that it has deducted budgeted development costs of \$500,000, production expense of \$2,003,000 and overhead of \$926,000 in determining the royalty payment to the Trust for the current month.

Excess Costs

XTO Energy has advised the trustee that lower gas prices and increased production expenses related to the timing of cash disbursements caused costs to exceed revenues on properties underlying the Wyoming net profits interests. However, these excess costs did not reduce net proceeds from the remaining conveyances.

Other

As noted in the first quarter Form 10-Q filed on April 27, 2012, XTO Energy reached a tentative settlement on the Fankhouser litigation for \$37 million. The hearing for formal court approval was conducted on June

21, 2012 and preliminarily approved by the court on June 29, 2012. A fairness hearing has been scheduled for October 10, 2012. XTO Energy has advised the trustee that the terms of the conveyances governing the Trust's net profits interests require the Trust to bear its 80% interest in the settlement, or approximately \$29.6 million. Upon payment of the settlement, it is expected that costs will exceed revenues on properties underlying the Oklahoma and Kansas net profits interest. Based on recent revenue and expense levels, it is expected that costs will exceed revenues for approximately 18 months; however, changes in oil or natural gas prices or expenses could cause the time period to increase or decrease correspondingly. The net profits interest from Wyoming is unaffected and payments will continue to be made from those properties to the extent revenues exceed costs on these properties. The settlement is expected to decrease the amount of net profits going forward for the Oklahoma and Kansas properties due to changes in the way costs (such as gathering, compression and fuel) associated with operating the properties will be allocated, resulting in a net gain to the royalty interest owners. XTO Energy has stated that this expected net upward revision for the royalty interest owners will reduce applicable net profits to XTO Energy and, correspondingly, to the Trust. At this point, the trustee has reserved \$200,000 for potential legal expenses relating to this matter.

For more information on the Trust, please visit our web site at www.hugotontrust.com.

Statements made in this press release regarding future events or conditions are forward looking statements. Actual future results, including development costs, the outcome of litigation, 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, 2011.

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