

Tax Information Per Unit

First Quarter Report 2020

	MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)				Total
	February 14, 2020	March 13, 2020	April 14, 2020		
Gross Income.....	\$ 0.000000	\$ 0.000000	\$ 0.000000	\$ 0.000000	\$ 0.000000
Less Severance Taxes	(0.000000)	(0.000000)	(0.000000)	(0.000000)	(0.000000)
Interest Income.....	0.000022	0.000019	0.000015	0.000056	0.000056
Less Administration Expenses.....	(0.002538)	(0.000672)	(0.000576)	(0.003786)	(0.003786)
Reconciling Items	0.002516	0.000653	0.000561	0.003730	0.003730
NET CASH DISTRIBUTION	\$ 0.000000	\$ 0.000000	\$ 0.000000	\$ 0.000000	\$ 0.000000
Cost Depletion Factors:					
Kansas - 80%	0.000000	0.000000	0.000000	0.000000	0.000000
Oklahoma - 80%	0.000000	0.000000	0.000000	0.000000	0.000000
Wyoming - 80%	0.000000	0.000000	0.000000	0.000000	0.000000

Unitholders owning units in nominee name may obtain monthly tax information from the Trustee upon request or from the Trust's web site at www.hgt-hugoton.com.

Hugoton Royalty Trust 2911 Turtle Creek Blvd, Ste 850, Dallas, TX 75219
855.588.7839 • Simmons Bank, Trustee • www.hgt-hugoton.com

Hugoton Royalty Trust



1st
Quarter Report
2020

To Unitholders:

For the quarter ended March 31, 2020, net profits income was \$0, as compared to \$130,733 for first quarter 2019. This 100% decrease in net profits income is primarily the result of net excess costs activity (\$6.0 million), decreased gas prices (\$3.1 million), increased overhead (\$0.9 million), and increased production expenses (\$0.2 million), partially offset by decreased development costs (\$6.6 million), increased oil and gas production (\$3.3 million) and increased oil prices (\$0.2 million).

After adding interest income of \$2,248 and deducting administration expense of \$151,448, and reducing the cash reserve \$149,200 for the payment of Trust expenses, distributable income for the quarter ended March 31, 2020 was \$0 or \$0.000000 per unit of beneficial interest. Administration expense for the quarter decreased \$140,244 from the prior year quarter. Changes in interest income are attributable to fluctuations in net profits income and interest rates. For first quarter 2019, distributable income was \$0 or \$0.000000 per unit. Distributions to unitholders for the quarter ended March 31, 2020 were:

RECORD DATE	PAYMENT DATE	DISTRIBUTION PER UNIT
January 31, 2020	February 14, 2020	\$ 0.000000
February 28, 2020	March 13, 2020	0.000000
March 31, 2020	April 14, 2020	0.000000
		<u>\$ 0.000000</u>

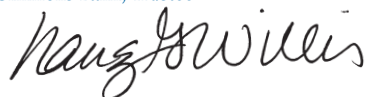
Liquidity and Going Concern

The accompanying condensed financial statements have been prepared assuming that the Trust will continue as a going concern. Financial statements prepared on a going concern basis assume the realization of assets and the settlement of liabilities in the normal course of business. Increases in excess costs for the Kansas, Oklahoma and Wyoming conveyances have resulted in insufficient net proceeds to the Trust and a reduction in the Trust's expense reserve. In March through May of 2019, the Trust received net profits income from the Wyoming conveyance in an amount that covered all of the Trust's administrative expenses and allowed for a partial replenishment of the expense reserve, but there were no funds to distribute to unitholders. The net profits income in these months are not necessarily indicative of future cash inflows for the next 12 months. These conditions raise substantial doubt about the Trust's ability to continue as a going concern as the Trust may not have, based on the current estimated administrative expenses, sufficient cash to meet its obligations during the one year period after the date the condensed financial statements are issued. Please see Note 1 to the Condensed Financial Statements included in the Trust's Form 10-Q filing for quarter ending March 31, 2020, for additional information regarding the liquidity and going concern of the Trust.

Please see Note 4 to the Condensed Financial Statements included in the Trust's Form 10-Q filing for quarter ending March 31, 2020, for information regarding the arbitration proceeding relating to the *Chieftain* class action royalty case.

This letter, and all communications to unitholders, includes information provided to the Trustee by XTO Energy Inc.

Hugoton Royalty Trust
By: Simmons Bank, Trustee



By: Nancy Willis
Vice President

Hugoton Royalty Trust Financial Statements

Condensed Statements of Assets, Liabilities and Trust Corpus (Unaudited)

	March 31, 2020	December 31, 2019
Assets		
Cash and Short-term Investments	\$ 456,446	\$ 605,646
Net Profits Interests in Oil and Gas Properties – Net.....	—	—
	<u>\$ 456,446</u>	<u>\$ 605,646</u>
Liabilities and Trust Corpus		
Distribution Payable to Unitholders	\$ —	\$ —
Expense Reserve ^(a)	456,446	605,646
Trust Corpus (40,000,000 Units of Beneficial Interest Authorized and Outstanding)	—	—
	<u>\$ 456,446</u>	<u>\$ 605,646</u>

^(a) The expense reserve allows the Trustee to pay its obligations should it be unable to pay them out of the net profits income.

Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended March 31 2020	2019
Net Profits Income	\$ —	\$ 130,733
Interest Income	2,248	6,280
TOTAL INCOME	<u>2,248</u>	<u>137,013</u>
Administration Expense	151,448	291,692
Cash Reserves Withheld (used) for Trust Expenses	(149,200)	(154,679)
Distributable Income	<u>\$ —</u>	<u>\$ —</u>
Distributable Income per Unit (40,000,000 Units)	<u>\$ 0.000000</u>	<u>\$ 0.000000</u>

Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended March 31 2020	2019
Trust Corpus, Beginning of Period	\$ —	\$ 15,816,990
Amortization of Net Profits Interests	—	(43,433)
Distributable Income	—	—
Distributions Declared	—	—
Trust Corpus, End of Period	<u>\$ —</u>	<u>\$ 15,773,557</u>

These Condensed Financial Statements should be read in conjunction with the Condensed Financial Statements and notes thereto included in the Trust's quarterly report on Form 10-Q for the quarter ended March 31, 2020.