

	MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)			
	August 14, 2018	September 17, 2018	October 15, 2018	Total
Gross Income .....	\$ 0.000000	\$ 0.000000	\$ 0.000000	\$ 0.000000
Less Severance Taxes .....	(0.000000)	(0.000000)	(0.000000)	(0.000000)
Interest Income .....	0.000053	0.000056	0.000058	0.000167
Less Administration Expenses .....	(0.000876)	(0.001838)	(0.002916)	(0.005630)
Reconciling Items .....	0.000823	0.001782	0.002858	0.005463
<b>NET CASH DISTRIBUTION .....</b>	<b>\$ 0.000000</b>	<b>\$ 0.000000</b>	<b>\$ 0.000000</b>	<b>\$ 0.000000</b>
Cost Depletion Factors:				
Kansas - 80% .....	0.000000	0.000000	0.000000	0.000000
Oklahoma - 80% .....	0.000000	0.000000	0.000000	0.000000
Wyoming - 80% .....	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](http://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](http://www.hgt-hugoton.com)

# Hugoton Royalty Trust



**3<sup>rd</sup>**  
Quarter Report  
**2018**

## To Unitholders:

For the quarter ended September 30, 2018, net profits income was \$0, as compared to \$688,252 for third quarter 2017. This 100% decrease in net profits income is primarily the result of increased budgeted development costs (\$4.6 million), lower gas prices (\$1.0 million), lower gas and oil production (\$0.5 million), increased production expense (\$0.3 million) and increased taxes, transportation and other costs (\$0.1 million), partially offset by net excess costs activity (\$5.0 million), and higher oil prices (\$0.8 million).

After adding interest income of \$6,700 and deducting administration expense of \$225,204, and reducing the cash reserve \$218,504 for the payment of trust expenses, distributable income for the quarter ended September 30, 2018 was \$0, or \$0.000000 per unit of beneficial interest. Administration expense for the quarter increased \$32,181 as compared to the prior year quarter, primarily related to an increase in legal fees and the timing of receipt and payment of Trust expenses and terms of professional services. Changes in interest income are attributable to fluctuations in net profits income and interest rates. For third quarter 2017, distributable income was \$497,320, or \$0.012433 per unit.

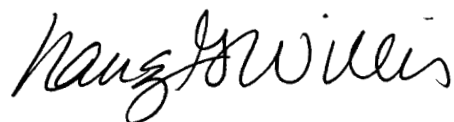
Distributions to unitholders for the quarter ended September 30, 2018 were:

RECORD DATE	PAYMENT DATE	PER UNIT
July 31, 2018	August 14, 2018	\$ 0.000000
August 31, 2018	September 17, 2018	0.000000
September 28, 2018	October 15, 2018	0.000000
TOTAL		\$ 0.000000

Please see Note 4 to the Condensed Financial Statements included in the Trust's Form 10-Q filing for quarter ending September 30, 2018, 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)

	September 30, 2018	December 31, 2017
<b>Assets</b>		
Cash and Short-term Investments.....	\$ 1,351,705	\$ 1,433,640
Net Profits Interests in Oil and Gas Properties – Net .....	15,816,990	16,379,749
	<b>\$ 17,168,695</b>	<b>\$ 17,813,389</b>
<b>Liabilities and Trust Corpus</b>		
Distribution Payable to Unitholders.....	\$ --	\$ 433,640
Expense Reserve <sup>(a)</sup> .....	1,351,705	1,000,000
Trust Corpus (40,000,000 Units of Beneficial Interest Authorized and Outstanding).....	15,816,990	16,379,749
	<b>\$ 17,168,695</b>	<b>\$ 17,813,389</b>

<sup>(a)</sup>The expense reserve allows the Trustee to pay its obligations should it be unable to pay them out of the net profits income. The Trustee increased the expense reserve in light of the activity described in Note 2 and Note 4 to Condensed Financial Statements.

### Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net Profits Income.....	\$ --	\$ 688,252	\$ 1,590,949	\$ 4,236,724
Interest Income .....	6,700	2,091	16,455	4,616
TOTAL INCOME .....	6,700	690,343	1,607,404	4,241,340
Administration Expense .....	225,204	193,023	885,659	707,060
Cash Reserves Withheld (used) for Trust Expenses.....	(218,504)	--	351,705	--
Distributable Income.....	\$ --	\$ 497,320	\$ 370,040	\$ 3,534,280
Distributable Income per Unit (40,000,000 Units) .....	\$ 0.000000	\$ 0.012433	\$ 0.009251	\$ 0.088357

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Trust Corpus, Beginning of Period.....	\$ 15,816,990	\$ 20,063,091	\$ 16,379,749	\$ 26,885,503
Amortization of Net Profits Interests.....	--	(1,480,209)	(562,759)	(8,302,621)
Distributable Income.....	--	497,320	370,040	3,534,280
Distributions Declared .....	--	(497,320)	(370,040)	(3,534,280)
Trust Corpus, End of Period .....	\$ 15,816,990	\$ 18,582,882	\$ 15,816,990	\$ 18,582,882

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 September 30, 2018.