

Tax Information Per Unit

First Quarter Report 2023

MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)

	February 14, 2023	March 14, 2023	April 14, 2023	Total
Gross income.....	\$ 0.054250	\$ 0.113519	\$ 0.148382	\$ 0.316151
Less severance taxes.....	(0.009813)	(0.019979)	(0.024866)	(0.054658)
Interest income.....	0.000170	0.000126	0.000143	0.000439
Less administration expenses.....	(0.001245)	(0.002700)	(0.003593)	(0.007538)
Reconciling items.....	0.000000	0.000000	0.000000	0.000000
Net cash distribution.....	\$ 0.043362	\$ 0.090966	\$ 0.120066	\$ 0.254394
Cost depletion factors:				
Kansas - 80%.....	0.000000	0.003107	0.004511	0.007618
Oklahoma - 80%.....	0.005091	0.000450	0.005886	0.011427
Wyoming - 80%.....	0.010995	0.015970	0.015638	0.042603

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 • Argent Trust Company, Trustee • www.hgt-hugoton.com

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Quarter Report
2023



To Unitholders:

For the quarter ended March 31, 2023, net profits income was \$10,459,753, as compared to \$347,410 for first quarter 2022 primarily due to net excess costs activity (\$8.0 million), higher gas and oil prices (\$7.8 million), and decreased overhead (\$0.1 million), partially offset by increased taxes, transportation and other costs (\$2.1 million), decreased gas and oil production (\$2.0 million), increased production expenses (\$1.0 million), and increased development costs (\$0.7 million).

After adding interest income of \$17,544, and deducting administration expense of \$301,537, distributable income for the quarter ended March 31, 2023, was \$10,175,760, or \$0.254394 per unit of beneficial interest. Administration expense for the quarter increased \$134,136 as compared to the prior year quarter, primarily related to 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, cash reserve and interest rates. For first quarter 2022, distributable income was \$0, or \$0.000000 per unit.

Distributions to unitholders for the quarter ended March 31, 2023 were:

RECORD DATE	PAYMENT DATE	DISTRIBUTION PER UNIT
January 31, 2023	February 14, 2023	\$ 0.043362
February 28, 2023	March 14, 2023	0.090966
March 31, 2023	April 14, 2023	0.120066
		<u>\$ 0.254394</u>

Please see Note 3 to the Condensed Financial Statements included in the Trust's Form 10-Q filing for quarter ending March 31, 2023, 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: Argent Trust Company, Trustee



By: Nancy Willis
Vice President

Hugoton Royalty Trust Financial Statements

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

	March 31, 2023	December 31, 2022
Assets		
Cash and short-term investments	\$ 5,796,927	\$ 2,829,458
Interest to be received	5,713	4,902
Net profits interests in oil and gas properties – net	—	—
	<u>\$ 5,802,640</u>	<u>\$ 2,834,360</u>
Liabilities and Trust Corpus		
Distribution payable to unitholders	\$ 4,802,640	\$ 1,834,360
Expense reserve ^(a)	1,000,000	1,000,000
Trust corpus (40,000,000 units of beneficial interest authorized and outstanding)	—	—
	<u>\$ 5,802,640</u>	<u>\$ 2,834,360</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 2023	March 31 2022
Net profits income	\$ 10,459,753	\$ 347,410
Interest income	17,544	—
Total income	<u>10,477,297</u>	347,410
Administration expense	301,537	167,401
Change in accounts payable to the Trustee (increase)/decrease	\$ —	\$ 180,009
Distributable income	<u>\$ 10,175,760</u>	\$ —
Distributable income per unit (40,000,000 units)	<u>\$ 0.254394</u>	<u>\$ 0.000000</u>

Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended March 31 2023	March 31 2022
Trust corpus, beginning of period	\$ —	\$ (1,217,857)
Distributable income	10,175,760	—
Distributions declared	(10,175,760)	—
Change in accounts payable to the Trustee (increase)/decrease	\$ —	\$ 180,009
Trust corpus, end of period	<u>\$ —</u>	<u>\$ (1,037,848)</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, 2023.