

SAN JUAN BASIN ROYALTY TRUST

2025 THIRD QUARTER

TO OUR UNIT HOLDERS

Argent Trust Company, as trustee ("Trustee") presents the 2025 3rd Quarter Report (this "Report") of the San Juan Basin Royalty Trust (the "Trust") to the holders (the "Unit Holders") of units of beneficial interest in the Trust (the "Units"). The principal asset of the Trust is a 75% net overriding royalty interest (the "Royalty") that is carved out of certain oil and gas leasehold and royalty interests in properties located in the San Juan Basin of New Mexico (the "Subject Interests"). The Subject Interests are owned by Hilcorp San Juan L.P. ("Hilcorp"). The Trust makes monthly distributions to the Unit Holders of the excess of the preceding month's royalty income received over expenses incurred. Upon receipt, royalty income is invested in short-term investments until its subsequent distribution.

There was no Royalty Income distributed to the Trust by Hilcorp (the "Royalty Income") for the three and nine months ended September 30, 2025. There was no Royalty Income distributed for the three months ended September 30, 2024 and \$6,945,974 of Royalty Income was distributed for the nine months ended September 30, 2024. The decrease in Royalty Income was due primarily to substantially higher capital project spending associated with Hilcorp's drilling of two new horizontal wells in 2024, the costs of which extended into the early part of 2025. The increase in capital spending was partially offset by an increase in the price of natural gas from \$1.49 per Mcf for the three months ended September 30, 2024, to \$2.11 per Mcf for the three months ended September 30, 2025, and from \$2.20 per Mcf for the nine months ended September 30, 2024 to \$2.63 per Mcf for the nine months ended September 30, 2025. Production of natural gas from the Subject Interests increased from 5,691,025 Mcf for the three months ended September 30, 2024 to 6,918,497 Mcf for the three months ended September 30, 2025, and from 16,743,796 Mcf for the nine months ended September 30, 2024 to 21,624,972 for the nine months ended September 30, 2025.

"Excess Production Costs" occur when production costs, including capital expenditures, exceed the gross proceeds for a certain period (the "Excess Production Costs"). Excess Production Costs must be recovered from future net proceeds before Royalty Income is again paid to the Trust. While there were net proceeds of \$1,174,206 for the three months ended September 30, 2025, 75% of which amount would otherwise have been payable to the Trust as Royalty Income, those net proceeds were instead applied to reduce the balance of Excess Production Costs previously accrued as a result of Hilcorp's drilling of two new horizontal wells in 2024. As of September 30, 2025, the balance of cumulative Excess Production Costs was approximately \$13,593,734 gross (\$10,195,300 net to the Trust). Please see Note 10. Excess Production Costs and for a summary of changes in the balance of Excess Production Costs in 2025.

Total Gross Proceeds increased approximately \$5.8 million, or 62.1%, for the three months ended September 30, 2025, compared to the three months ended September 30, 2024. Total Gross Proceeds increased approximately \$19.4 million or 50.0% for the nine months ended September 30, 2025 compared to the same time period in 2024. The increases were primarily due to slightly higher natural gas prices and higher production volumes, mainly attributable to the two new horizontal wells installed in 2024.

Interest income decreased for the three and nine months ended September 30, 2025, as compared to the same periods in 2024 primarily due to the decrease in Royalty Income and cash reserves.

General and administrative expenses decreased by \$270,968 (70.1%) for the three months ended September 30, 2025 compared to the three months ended September 30, 2024. For the nine months ended September 30, 2025, general and administrative expenses decreased by \$1,143,872 (52.9%) compared to the nine months ended September 30, 2024 due to differences in timing of the receipt and payment of certain expenses by the Trust, expenses in the first half of 2024 associated with the transition to Argent Bank as Trustee of the Trust, and a decrease in publishing and printing costs.

Total cash reserves were \$29,160 as of September 30, 2025. The Trustee is authorized to determine, in its discretion, the amount of cash reserves needed to cover liabilities and contingencies of the Trust. The Trustee previously maintained a cash reserve in the amount of \$1,000,000. However, to cover Trust expenses during any period of revenue shortfall, which has resulted and could continue to result from lower commodity prices or increased capital expenditures under Hilcorp's capital project plan for the Subject Interests, the Trustee increased the cash reserves in March and April of 2024, such that total cash reserves were \$1,800,000 as of April 30, 2024. Cash reserves of \$1,767,041, along with interest income, were utilized to pay the balance of Trust administrative expenses remaining (after applying interest income) each month from May 2024 through May 2025, when the Trust did not receive any Royalty Income. For the months ended May 31, 2025, and June 30, 2025, Trust administrative expenses were paid using funds in the amounts of \$84,838 from the cash reserves and \$132,851 from the Line of Credit, respectively, net of interest earned on Trust cash accounts. Cash reserves were utilized to pay interest accrued on the Line of Credit for the months of July, August, and September 2025, in the amounts of \$1,059, \$1,292, and \$1,450 respectively. Prior to any distributions to Unitholders, the Trustee plans to replenish the cash reserves and continue to increase the cash reserves to \$2,000,000.

The Trust is permitted to borrow funds against the Royalty to cover the Trust's operating expenses. On May 21, 2025, the Trust entered into a promissory note (the "Note") to establish a line of credit (the "Line of Credit") in the amount of \$2,000,000 with Texas Bank, together with a mortgage to secure that Note. The Line of Credit bears interest at a rate of prime plus 1% per annum (8.5% at June 30, 2025) and matures on May 21, 2027. The Trust is required to make interest-only payments on the Note until May 21, 2027, at which time, the Trust will be required to also make monthly payments toward the principal. The Line of Credit is secured by substantially all of the assets of the Trust, including (a) all mineral interests owned by the Trust, (b) the oil, gas, and other minerals attributable to those mineral interests, (c) the personal property related to those mineral interests, and (d) the proceeds of the sale of the property described in (a) through (c), above. The agreement securing repayment of the Line of Credit contains customary covenants and events of default. Please see Note 4. Liquidity and Going Concern and Item 2. Trustee's

Discussion and Analysis of Financial Condition and Results of Operations for more information on the Line of Credit.

The Trust's principal source of liquidity and capital is Royalty Income. The Trust's distribution of income to Unit Holders is funded by Royalty Income after payment of Trust expenses. The Trust is not liable for any production costs or liabilities attributable to the Royalty. If at any time the Trust receives more than the amount due under the Royalty, it is not obligated to return such overpayment, but the amounts payable to it for any subsequent period are reduced by such amount, plus interest, at a rate specified in the Conveyance. The Trustee may not sell or dispose of any part of the assets of the Trust without the affirmative vote of the Unit Holders of 75% of all of the Units outstanding; however, the Trustee may sell up to 1% of the value of the Royalty (as determined pursuant to the Indenture) during any 12-month period without the consent of the Unit Holders.

The anticipated deficit in Royalty Income sufficient to pay the Trust's liabilities raises substantial doubt about the Trust's ability to continue as a going concern within one year after issuance date of the financial statements. The accompanying financial statements have been prepared assuming that the Trust will continue as a going concern; however, the above conditions raise substantial doubt about the Trust's ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification. Please see Note 4. Liquidity and Going Concern for more information on this issue.

Royalty Income for the three months ended September 30, 2025, is associated with natural gas and oil production during the period from May through July 2025. Royalty Income for the three months ended September 30, 2024, is associated with natural gas and oil production from the Subject Interests during the period from May through July 2024.

Production of natural gas and oil and related average sales prices attributable to each of the Subject Interests and the Royalty for the three and nine months ended September 30, 2025, and 2024 were as follows:

	For the Three Months Ended September 30, 2025		2024	
	Natural Gas (Mcf)	Oil and Condensate (Bbls)	Natural Gas (Mcf)	Oil and Condensate (Bbls)
Production				
Subject Interests	6,918,497	7,775	5,691,025	11,111
Royalty	92,894	3,951	(6,683,813)	6,460
Average Price (per Mcf/Bbl)	\$2.11	\$54.66	\$1.49	\$70.63

	For the Nine Months Ended September 30, 2025		2024	
	Natural Gas (Mcf)	Oil and Condensate (Bbls)	Natural Gas (Mcf)	Oil and Condensate (Bbls)
Production				
Subject Interests	21,624,972	23,777	16,743,796	25,574
Royalty	197,352	11,789	(5,396,654)	15,212
Average Price (per Mcf/Bbl)	\$2.63	\$57.13	\$2.20	\$69.26

Based on Hilcorp's reporting methodology, the Trust recognizes production during the month in which the related Royalty Income is paid to the Trust. Royalty Income for a calendar year is based on the actual natural gas and oil production during the period beginning with November of the preceding calendar year through October of the current calendar year. Sales volumes attributable to the Royalty are determined by dividing the net profits from the sale of natural gas and oil, respectively, by the prices received for sales of such volumes from the Subject Interests, taking into consideration production taxes attributable to the Subject Interests. Because the natural gas and oil sales attributable to the Royalty are based upon an allocation formula dependent on such factors as price and cost, including capital expenditures, the aggregate sales amounts from the Subject Interests may not provide a meaningful comparison to sales attributable to the Royalty.

Production from the Subject Interests is influenced by the line pressure of the natural gas gathering systems in the San Juan Basin. As noted above, natural gas and oil sales attributable to the Royalty are based on an allocation formula dependent on many factors, including natural gas and oil prices and capital expenditures.

Included in this Report are the Condensed Statements of Assets, Liabilities and Trust Corpus as of September 30, 2025 (Unaudited), and December 31, 2024, and the Condensed Statements of Distributable Income and of Changes in Trust Corpus for the three and nine months ended September 30, 2025 and 2024 (Unaudited).

All Unit Holders may obtain monthly tax information from the Trust's website at www.sjbrt.com, or from the Trustee upon request by calling toll-free or writing the Trustee at the contact information at the bottom of this Report.

Income and expense (per Unit) and depletion factors for the three months ended September 30, 2025 are as follows:

	July	August	September
Gross Income	\$ 0.000000	\$ 0.000000	\$ 0.000000
Interest Income	\$ 0.000003	\$ 0.000002	\$ 0.000002
Severance Tax	(\$ 0.000000)	(\$ 0.000000)	(\$ 0.000000)
Administration Expense	(\$ 0.000424)	(\$ 0.000445)	(\$ 0.001610)
Distributable Income	\$ 0.000000	\$ 0.000000	\$ 0.000000
Percentage Depletion Factor	0.000000	0.000000	0.000000
Cost Depletion Factor	0.000000	0.000000	0.000000

Argent Trust Company, Trustee



NANCY WILLIS
Director, Royalty Trust Services

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Assets		
Cash and Short-term Investments	\$ 29,160	\$ 760,920
Net Overriding Royalty Interest in Producing Oil and Gas Properties (net of accumulated amortization of \$130,597,911 at September 30, 2025 and December 31, 2024, respectively)	2,677,617	2,677,617
	\$ 2,706,777	\$ 3,438,537
Liabilities and Trust Corpus		
Distribution Payable to Unit Holders	\$ —	\$ —
Cash Reserves	29,160	760,920
Line of Credit Utilization	274,135	—
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding	2,403,482	2,677,617
	\$ 2,706,777	\$ 3,438,537

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Royalty Income	\$ —	\$ —	\$ —	\$ 6,945,974
Interest Income	385	18,463	11,608	73,331
Total Income	385	18,463	11,608	7,019,305
General and Administrative Expenses	(115,539)	(386,507)	(1,017,505)	(2,161,377)
Change in Cash Reserves	3,802	368,044	731,762	300,301
Distributable Income	\$ (111,352)	\$ —	\$ (274,135)	\$ 5,158,229
Distributable Income Per Unit (46,608,796 Units)	\$ (0.002389)	\$ —	\$ (0.005882)	\$ 0.110670

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Trust Corpus, Beginning of Period	\$ 2,514,834	\$ 2,677,617	\$ 2,677,617	\$ 2,753,249
Amortization of Net Overriding Royalty Interest	—	—	—	(75,632)
Distributable Income	(111,352)	—	(274,135)	5,158,229
Distributions Declared	—	—	—	(5,158,229)
Trust Corpus, End of Period	\$ 2,403,482	\$ 2,677,617	\$ 2,403,482	\$ 2,677,617
Distributions Declared (Per Unit)	\$ —	\$ —	\$ —	\$ 0.110670

These Condensed Financial Statements and the other information presented in this Report should be read in conjunction with the information in the Trust's Quarterly Report on Form 10-Q (including but not limited to the Condensed Financial Statements and notes thereto) for the quarterly period ending September 30, 2025, as filed with the U.S. Securities and Exchange Commission on November 13, 2025.

SAN JUAN BASIN



Except for historical information contained in this Report, the statements in this Report may contain or include forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements generally are accompanied by words such as “may,” “will,” “estimate,” “anticipate,” “should,” “plan,” “intend,” or other words that convey the uncertainty of future events or outcomes. Forward-looking statements and the financial prospects of San Juan Basin Royalty Trust are subject to a number of risks and uncertainties that may cause actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of oil and gas prices, governmental regulation or action, litigation, uncertainties about estimates of reserves, capital expenditures, drilling activity, development activities, production efforts and volumes, and the results of the Trust’s activities. Such statements are based on certain assumptions of Argent Trust Company, the Trustee and by Hilcorp, the owner of the working interest through the reporting period, with respect to future events; are based on an assessment of, and are subject to, a variety of factors deemed relevant by the Trustee and Hilcorp; and involve risks and uncertainties. However, whether actual results and developments will conform with such expectations and predictions is subject to a number of risks and uncertainties which could affect the future results of the energy industry in general, and the Trust and Hilcorp in particular, and could cause those results to differ materially from those expressed in such forward-looking statements. The actual results or developments anticipated may not be realized or, even if substantially realized, they may not have the expected consequences to or effects on Hilcorp’s business and the Trust. Such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in such forward-looking statements. The Trust undertakes no obligation to publicly update or revise any forward-looking statements, except as required by applicable law.

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