

HUGOTON ROYALTY TRUST DECLARES NO FEBRUARY CASH DISTRIBUTION

Dallas, Texas, February 15, 2019 – Simmons Bank, as Trustee of the Hugoton Royalty Trust (OTCQX:HGT XU) (the “Trust”), today declared there would not be a cash distribution to the holders of its units of beneficial interest for February 2019 due to the excess cost positions on all three of the Trust’s conveyances of net profits interests. The following table shows underlying gas sales and average prices attributable to the net overriding royalty for both the current month and prior month. Underlying gas sales volumes attributable to the current month were primarily produced in December.

	Underlying Gas Sales		Average Gas Price per Mcf
	Volumes (Mcf) ^(a)		
	Total	Daily	
Current Month	914,000	29,000	\$5.50
Prior Month	1,079,000	36,000	\$2.74

(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 \$2,825,000, production expense of \$820,000 and overhead of \$1,000 in determining the royalty calculation for the Trust for the current month.

Litigation and Arbitration Proceedings – Chieftain

As previously disclosed, XTO Energy advised the Trustee that it reached a settlement with the plaintiffs in the *Chieftain* class action royalty case. On July 27, 2018 the final plan of allocation was approved by the court. Based on the final plan of allocation XTO Energy has advised the Trustee that it believes approximately \$24.3 million in additional production costs should be allocated to the Trust. On May 2, 2018, the Trustee submitted a demand for arbitration styled *Simmons Bank (successor to Southwest Bank and Bank of America, N.A.) vs. XTO Energy Inc.* (the “Arbitration”) through the American Arbitration Association seeking a declaratory judgment that

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the *Chieftain* settlement is not a production cost and that XTO Energy is prohibited from charging the settlement as a production cost under the conveyance or otherwise reducing the Trust's payments now or in the future as a result of the *Chieftain* litigation. In the Arbitration, the Trustee also made claims for disputed amounts on the computation of the Trust's net proceeds for 2014 through 2016 in excess of \$5 million. The hearing on the claims related to the *Chieftain* settlement has been tentatively scheduled for October 7, 2019, which will allow adequate time to complete discovery. The remaining claims related to the computation of the Trust's net proceeds were bifurcated and will be heard at a later date, which is still to be determined.

If the approximately \$24.3 million allocated portion of the *Chieftain* settlement results in an adjustment to the Trust's share of net proceeds, it would result in additional excess costs under the Oklahoma conveyance that would likely result in no distributions under the Oklahoma conveyance for several years while these additional excess costs are recovered.

Excess Costs

XTO Energy has advised the Trustee that \$209,000 of excess costs was recovered on properties underlying the Kansas net profits interests primarily due to improved gas prices and lower operating expenses. However, after the partial recovery, there were no remaining proceeds from the properties underlying the Kansas net profits interests to be included in the current month's distribution. Underlying cumulative excess costs remaining on the Kansas net profits interests total \$959,000, including accrued interest of \$172,000.

XTO Energy has advised the Trustee that excess costs increased by \$449,000 on properties underlying the Oklahoma net profits interests primarily due to budgeted development costs, partially offset by improved gas prices and lower operating expenses. Underlying cumulative excess costs remaining on the Oklahoma net profits interests total \$18,202,000, including accrued interest of \$0. XTO has advised the Trustee that it has determined not to accrue interest on the Oklahoma excess costs balance at this time.

XTO Energy has advised the Trustee that \$1,288,000 of excess costs was recovered on properties underlying the Wyoming net profits interests primarily due to improved gas prices and lower operating expenses. However, after the partial recovery, there were no remaining proceeds from the properties underlying the Wyoming net profits interests to be included in the current month's distribution. Underlying cumulative excess costs remaining on the Wyoming net profits interests total \$147,000, including accrued interest of \$38,000.

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

Statements made in this press release regarding future events or conditions are forward looking statements. Actual future results, including development costs 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, 2017 and Part II, Item 1A of the Trust's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018.

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Hugoton Royalty Trust

Contact: Nancy Willis
Vice President
Simmons Bank, Trustee
855-588-7839