

	MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)			
	February 14, 2018	March 14, 2018	April 13, 2018	Total
Gross Income .....	\$ 0.011509	\$ 0.020754	\$ 0.014999	\$ 0.047262
Less Severance Taxes .....	(0.001919)	(0.002970)	(0.002599)	(0.007488)
Interest Income .....	0.000025	0.000029	0.000029	0.000083
Less Administration Expenses.....	(0.003164)	(0.002312)	(0.002070)	(0.007546)
Reconciling Items.....	(0.006451)	(0.006250)	(0.010359)	(0.023060)
<b>NET CASH DISTRIBUTION .....</b>	<b>\$ 0.000000</b>	<b>\$ 0.009251</b>	<b>\$ 0.000000</b>	<b>\$ 0.009251</b>
<b>Cost Depletion Factors:</b>				
Kansas - 80% .....	0.000000	0.000000	0.000000	0.000000
Oklahoma - 80% .....	0.009151	0.016659	0.014097	0.039907
Wyoming - 80% .....	0.017768	0.000000	0.000000	0.017768

Unit holders 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 PO Box 470727, Fort Worth, TX 76147  
 855.588.7839 ■ Simmons Bank, Trustee ■ [www.hgt-hugoton.com](http://www.hgt-hugoton.com)

# Hugoton Royalty Trust



**1<sup>st</sup>**  
 Quarter Report  
**2018**

## To Unitholders:

For the quarter ended March 31, 2018, net profits income was \$1,590,949, as compared to \$2,223,626 for first quarter 2017. This 28% decrease in net profits income is primarily the result of decreased gas production (\$0.6 million), decreased gas prices (\$0.5 million), increased production expense (\$0.4 million) and increased development costs (\$0.2 million), partially offset by net excess costs activity (\$0.7 million), increased oil prices (\$0.3 million) and decreased production and property taxes (\$0.1 million).

After adding interest income of \$3,298 and deducting administration expense of \$301,798, and increasing the expense reserve \$922,409, distributable income for the quarter ended March 31, 2018 was \$370,040, or \$0.009251 per unit of beneficial interest. For first quarter 2017, distributable income was \$1,886,680 or \$0.047167 per unit.

Distributions to unitholders for the quarter ended March 31, 2018 were:

RECORD DATE	PAYMENT DATE	PER UNIT
January 31, 2018	February 14, 2018	\$ 0.000000
February 28, 2018	March 14, 2018	0.009251
March 29, 2018	April 13, 2018	0.000000
<b>TOTAL</b>		<b>\$ 0.009251</b>

Please see Note 4 to the Condensed Financial Statements included in the Trust's Form 10-Q filing for quarter ending March 31, 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: Lee Ann Anderson  
Senior Vice President

## Hugoton Royalty Trust Financial Statements

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

	March 31, 2018	December 31, 2017
<b>Assets</b>		
Cash and Short-term Investments.....	\$ 1,922,409	\$ 1,433,640
Net Profits Interests in Oil and Gas Properties – Net .....	15,816,990	16,379,749
	<b>\$17,739,399</b>	<b>\$ 17,813,389</b>
<b>Liabilities and Trust Corpus</b>		
Distribution Payable to Unitholders.....	\$ --	\$ 433,640
Expense Reserve <sup>(a)</sup> .....	1,922,409	1,000,000
Trust Corpus (40,000,000 Units of Beneficial Interest Authorized and Outstanding).....	15,816,990	16,379,749
	<b>\$17,739,399</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.

### Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended March 31, 2018	March 31, 2017
Net Profits Income.....	\$ 1,590,949	\$ 2,223,626
Interest Income .....	3,298	920
<b>TOTAL INCOME</b> .....	<b>1,594,247</b>	<b>2,224,546</b>
Administration Expense .....	301,798	337,866
Cash Reserves Withheld (used) for Trust Expenses.....	922,409	--
Distributable Income.....	<b>\$ 370,040</b>	<b>\$ 1,886,680</b>
Distributable Income per Unit (40,000,000 Units) .....	<b>\$ 0.009251</b>	<b>\$ 0.047167</b>

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

	Three Months Ended March 31, 2018	March 31, 2017
Trust Corpus, Beginning of Period.....	\$ 16,379,749	\$ 26,885,503
Amortization of Net Profits Interests.....	(562,759)	(4,103,615)
Distributable Income.....	370,040	1,886,680
Distributions Declared .....	(370,040)	(1,886,680)
Trust Corpus, End of Period .....	<b>\$ 15,816,990</b>	<b>\$ 22,781,888</b>

These Condensed Financial Statements should be read in conjunction with the Condensed Financial Statements and notes thereto included in the Trust's Form 10-Q filing for the quarterly period ending March 31, 2018.