

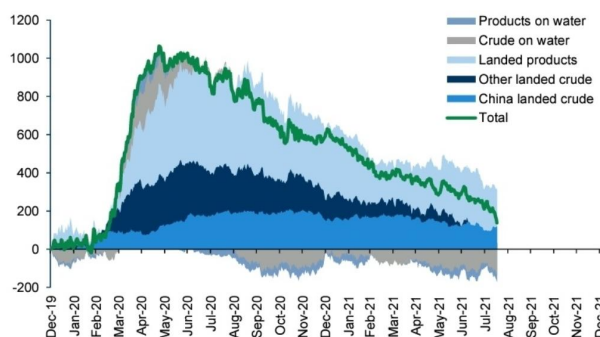
PBR

PERMIAN BASIN ROYALTY TRUST



Exhibit 12: Stocks data shows continued overall market draws, particularly in EM

Global oil stocks vs Dec-19 (mb)

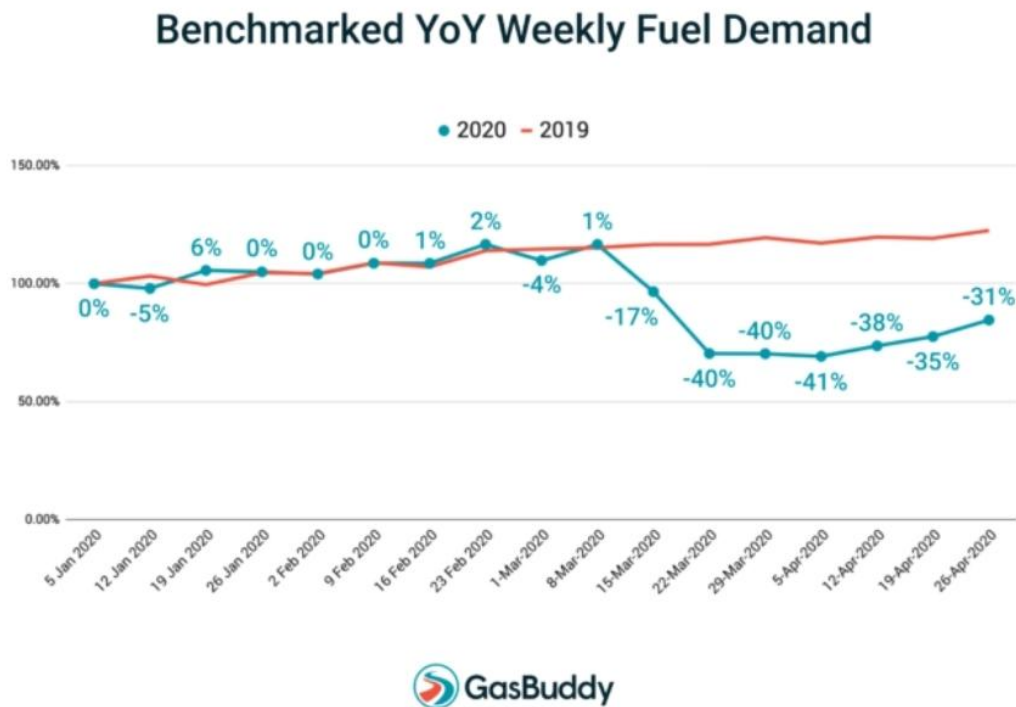


Source: Kpler, IEA, JODI, EIA, PAJ, Insights Global, IE Singapore, Fujairah, Oilchem, Goldman Sachs Global Investment Research

Recent news claimed we had a large build of Gasoline but last weeks EIA report showed 1M and isn't a real build on current inventory levels. Distillates had a nice draw which is expected with the crack spread begin so far out. There is also was also large option expiry a week ago Friday along with OPEX leaving little volume on the bullish side.

RBOB Gasoline Crack Spread Is at +\$25 for August. Crack spread is price difference between products and is used to determine price action of underlying crude. GasBuddy is ironically more accurate than EIA data for gasoline forward looking. Gasoline inventories increased by 0.7 million barrels (MMbbl) to a total of 228.2 MMbbl. At 228.2 MMbbl, inventories are down 15.6 MMbbl, or 6.4% lower than a year ago and are 3%

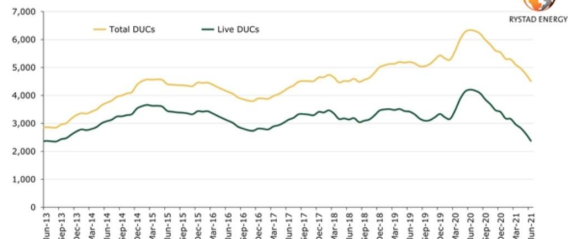
below the five-year average for this time of year. Sept 1st is the next date for OPEC+ meeting where most likely they will stick to curbing cuts of 400k BPD which is not a significant amount of global demand increase based on recent data.



According to Rystad Energy, the number of “live” drilled but uncompleted tight oil wells declined in June to the lowest level since 2013, a year in which WTI averaged \$98 a barrel and the Permian Basin was producing only about 30% of its current daily oil volume. The total number of horizontal DUCs in the Permian, Eagle Ford, Bakken, Niobrara and Anadarko regions combined fell to 4,510 wells by the end of June. That implies a reduction of 1,800 wells from the peak of 6,340 in June 2020 and an average depletion of 150 wells a month over the prior 12 months.

Given the current activity and depletion trend, the industry will likely see a complete normalization by the end of September in the Permian, and by September-October across other oil regions. Current rig count shows a slowdown in new rigs for the Q and a renewed confidence in US Shales ability to service debt and hold production down. This includes other outlying initiatives by ESG style investing.

Total and live* DUC inventory in major US oil regions** by month
Number of wells



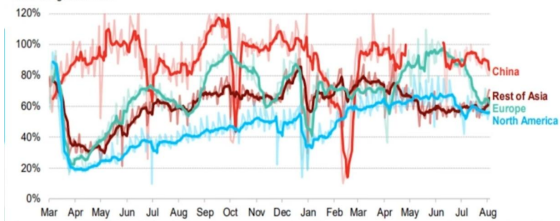
*Includes all horizontal wells which are not classified as abandoned and viewed as good completion candidates in future
**Permian, Eagle Ford, Bakken, Niobrara and Anadarko

Source: Rystad Energy ShaleWellCube

Regional aggregate indicators

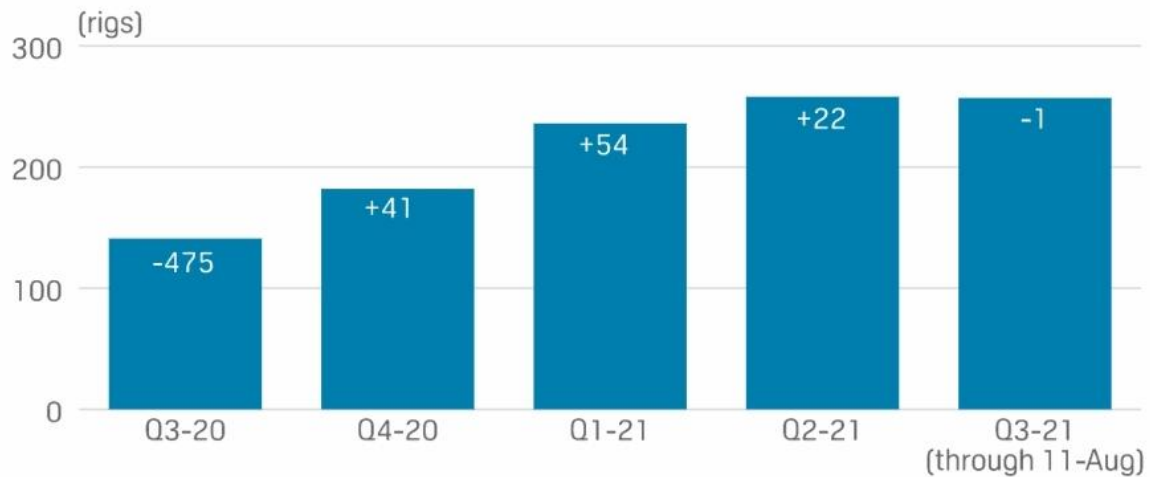
Road traffic declines in China on delta-driven Covid-19 outbreak

Peak congestion index



Source: Bloomberg/IEF, TomTom Traffic Index. Note: 'Peak congestion index' is calculated by Bloomberg/IEF. Index is arithmetic daily average of hourly weekday peak congestion data, compared to the 2019 average values for cities in each region tracked in this report. The index shows the extent to which congestion has recovered to 'pre-virus' levels, with 100% being equal to 2019 average peak congestion. Faded lines are daily values and darker lines are five-day moving average. TomTom stopped updating data for mainland China cities since April 21, 2021. We use congestion index data from Baidu as an alternative source for Chinese cities from June 10.

PERMIAN RIG COUNT GROWTH FLATTENING



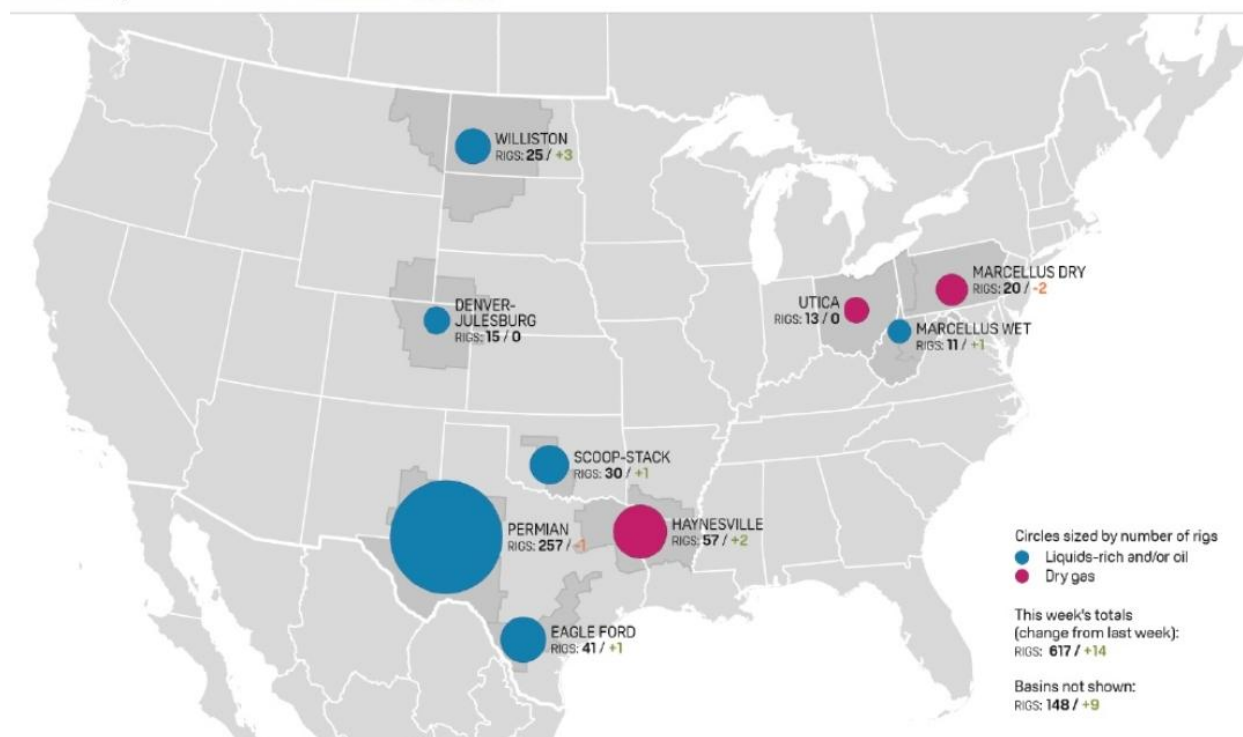
Note: numbers are the quarter-to-quarter change

Source: Enverus

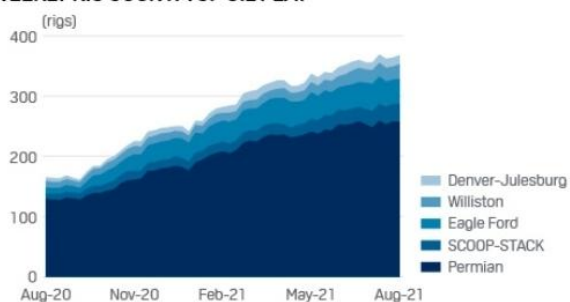
The majority of the concentration of rigs in the US are still in the Permian Basin where all major activity and lower break even costs.

RIG COUNTS OF THE TOP PRODUCING BASINS, AS OF AUGUST 11, 2021

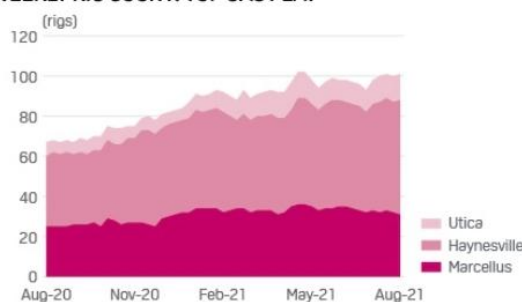
Number of rigs / Week-on-week +Increase or -Decrease



WEEKLY RIG COUNT: TOP OIL PLAY



WEEKLY RIG COUNT: TOP GAS PLAY



Methodology: The S&P Global Platts Rig Count is an independent benchmark that assesses US onshore and offshore drilling activity on a weekly basis. Data sources include drilling contractors, state filings and proprietary production data. The process behind developing the rig count is unbiased and standardized. The key determinant is identifying whether a rig is active during the seven-day window preceding the publication deadline. Only the rigs on location and working during the past seven days are included in the count. For more details on methodology please visit <http://plattsinfo.platts.com/Upstream>.

Source: Enverus Drillinginfo

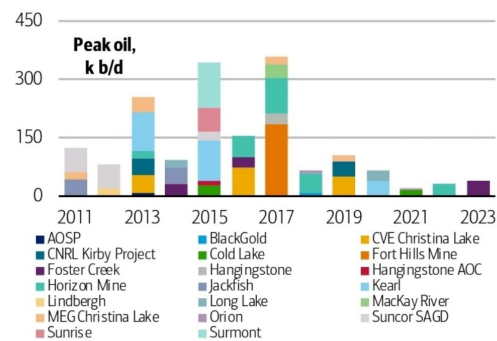
We continue to forecast total US crude volumes of around 11.5 million b/d in 2022, up 5% year on year, driven by the Permian (up 11% year on year), including a robust 20%-plus year-over-year growth from private E&Ps. The Frac spread count levels that will allow E&P operators to hold the line on crude oil production year on year in 2021 and maintain levels. Models show around 230-240 average active spreads in 2022 versus about 220-230 previously, which tracks fracturing counts in the US, estimated 235 frac "spreads" or equipment/crew units, were active the week ended Aug. 6, down

four from the previous week although the frac count has generally risen in the past month or so. Easy access DUCs are waning. Some of the bigger companies have a few more DUCs to carry them through the year, but unless rigs get picked up by most companies I suspect industry may be bound to see low/muted production growth for the foreseeable future. Should see delays associated with "just in time" delivery affecting production profiles of many companies unless they build a suitable working inventory of ready to frac DUCs. When planning a full time frac crews, inventory becomes just as important as having casing in the yard. If it's not ready when you are, then your site and job are delayed until adjusted pushing future jobs behind.

Hurricane Ida has added a lot of pressure to weekly Oil and Gas as 1M barrels/day started getting taken offline on Tuesday and will extend for roughly 15 days in the gulf before production is readded. US Shale will need to offset a lot of this over the next few weeks but with the worries of CAPEX and Canada peak output being long gone this will continue to put a huge amount of pressure on the supply vs demand.

Exhibit 22: Select Canadian oil sands capacity additions

The pipeline of new Canadian oil sands projects has thinned out in recent years...



Source: Woodmac, Company Reports

BofA GLOBAL RESEARCH

Mississippi Weather Network

18m · 🌐

BREAKING NEWS: Mississippi Weather Network sources have confirmed that the Shell Mars / Olympus Deep Water oil platform has broken loose. The platform is now free within the Gulf of Mexico. According to the Shell website, this oil platform was located approximately 130 miles south of the City of New Orleans. This remains a breaking situation, MWN will continue to relay the latest information on anything Hurricane Ida as it becomes available. [#TrackingTheTropics](#)



💬 23

↺ 57

❤️ 210



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	Total	Percentage of GOM
Platforms Evacuated	279	49.82%
Rigs Evacuated	11	100%
DP Rigs Moved-off	11	73.3%
	Total shut-in	Percentage of GOM Production
Oil, BOPD Shut-in	1,653,335	90.84%
Gas, MMCFD Shut-in	1,892,70	84.87%

PBT recent Q2 report showed completion of 22 new wells and 34 work-over wells while still having 20 wells in progress and 37 work-over wells in progress. Since my first bullish post a few months ago a total of 61 new work-over wells have been completed and 39 new wells. While other oil and gas companies have cut CAPEX and are leaning towards gaps in production, PBT has added a significant amount of production to their output while Oil and Gas prices continue to increase through the year. The current wells have netted an additional 100k barrels of oil for the first 6 months of the year with more than 2/3 of the production of new wells added in Q2 which have yet to be realized. Estimates based off current well and average per day development of new wells and work-over have put my model at 170k barrels per Q of additional volume and slightly over 200k barrels per Q by year end.

Year	Quarter	Total Royalty Inc Oil Sales	Gas Sales	Oil avg/day	Gas avg/day	Oil Price avg	Gas Price avg	Budget	Total Expense	Operator Under	Workover	New well	Wells In progress	Workover In Pro
2013	2	11,154,510	88,336	185,198	3,038	8.879	84.5	4.49				15	12	10
2013	3	12,620,943	114,794	209,046	3,092	7.482	96.18	6.2				18	2	5
2013	4	10,947,691	97,769	180,002	3,127	7.124	103.93	7.44	\$76 million	\$42.9M	\$5.3M-	0	10	2
2014	1	12,135,107	121,049	301,342	3,334	10.935	89.97	6.58				8	7	1
2014	2	\$14,607,298	140,160	316,541	3,235	9.406	94.35	7.56				7	1	0
2014	3	15,233,085	147,713	333,115	3,192	9.260	94.82	6.67				10	4	7
2014	4	7,035,159	81,691	107,152	3,217	12.949	81.98	5.78	\$48.1M	\$57.1M	\$19M-	0	2	3
2015	1	\$4,630,106	79,262	103,333	3,386	12.832	57.72	4.15				6	3	0
2015	2	4,121,910	87,600	176,810	1,779	7.173	48.47	2.63				4	0	5
2015	3	5,882,301	103,225	273,275	3,263	16.485	54.26	2.9				2	7	4
2015	4	\$3,161,146	74,708	97,090	3,221	14.907	44.28	4.38	\$2.45M	\$7.7M	\$7M-	0	3	0
2016	1	2,770,036	71,623	95,509	3,320	15.402	34.5	2.08				0	0	0
2016	2	4,379,766	124,037	366,634	3,349	15.062	32.71	1.81				0	0	0
2016	3	6,554,901	142,066	564,577	3,070	16.064	42.94	2.01				0	0	0
2016	4	7,383,205	152,703	563,963	3,011	13.831	42.24	2.86	\$3.2M	\$2.2M	\$3.1M-	0	0	0
2017	1	9,552,223	159,629	610,590	2,670	11.925	46.26	3.16				0	0	0
2017	2	7,473,738	138,456	490,380	2,651	11.570	47.14	3.13				0	0	0
2017	3	6,095,517	120,217	419,229	2,568	11.675	43.72	3.11				0	0	0
2017	4	7,438,049	132,272	478,585	2,723	11.576	46.36	3.53	\$4.3M	\$1.9M	\$0M	0	0	0
2018	1	9,719,305	143,180	511,378	2,625	11.481	56.39	3.84				0	0	0
2018	2	7,623,122	109,771	363,560	2,454	10.703	60.94	3.12				0	0	0
2018	3	7,236,350	101,892	329,291	2,327	10.538	60.19	3.54				0	0	0
2018	4	7,509,505	112,630	391,770	2,400	10.689	55.09	3.68	\$6.6M	\$730k	\$200k-	0	0	2
2019	1	4,530,445	85,893	221,006	2,392	11.568	44.47	3.38				0	2	0
2019	2	4,767,067	79,772	192,130	2,299	9.330	54.9	2.72				0	0	0
2019	3	6,060,272	104,258	310,106	2,510	9.814	54.3	1.82				0	0	0
2019	4	5,129,649	90,683	90,683	2,377	6.128	53.22	2.7	1.4M	\$3.3M	\$0M	0	0	0
2020	1	6,254,509	105,936	275,107	2,379	10.313	58.13	1.5				0	0	0
2020	2	2,446,502	76,817	183,189	2,257	9.473	32.21	0.8				29	0	0
2020	3	1,358,890	90,097	266,443	2,204	8.524	28.55	1.74				0	3	5
2020	4	1,980,417	162,468	712,623	2,269	10.263	37.91	2.14	86.7M	\$10.3M		0	6	7
2021	1	2,124,157	181,762	923,221	2,576	13.599	44.08	2.67		\$10.4M		27	8	8
2021	2	2,941,146	201,698	802,960	2,882	11.696	39.35	2.69				34	22	20

Oil prices reflected in the last Q were still adjusted below current oil pricing for the past 2 months as these reports are lagging by 2 months. Recent revenue showed a significant jump of \$11.1M in Q2 2021 vs Q2 2020. The added production volume and higher oil prices should result in revenue of \$27M for Waddell and \$3.6M for Texas Properties for a total of +\$30M revenue for the Q. With NPI debt paid down and total shares at 46.6M shares, after all costs included could see a \$20M of profit for the cash distribution in a Q or \$0.4918/Q or average of \$0.143/Month which is 7x current. This should push up the underlying equity to match the new yield by 5x over the course of the month for a PT of mid \$27.

	THREE MONTHS ENDED JUNE 30			
	2021		2020	
	WADDELL RANCH PROPERTIES	TEXAS ROYALTY PROPERTIES	WADDELL RANCH PROPERTIES	TEXAS ROYALTY PROPERTIES
Gross proceeds of sales from the Underlying Properties				
Oil proceeds	\$12,309,357	\$3,085,187	\$4,181,955	\$2,432,933
Gas proceeds	2,604,427	263,799	548,363	119,086
Other (adjustment)	2,660,146	—	1,072,389(1)	—
Total	17,573,930	3,348,986	6,402,709	2,552,019
Less:				
Severance tax:				
Oil	567,517	(6,092)	193,153	106,400
Gas	35,198	19,135	19,517	5,018
Lease operating expense and property tax:				
Oil and gas	6,533,019	240,000	4,833,468	330,000
Capital expenditures	10,438,196	—	767,996	—
Total	17,523,930	253,043	5,814,134	441,418
Net profits	—	3,095,943	588,575	2,110,601
Net overriding royalty interests	75%	95%	75%	95%
Royalty income	\$ —	2,941,146	\$ 441,431	2,005,071

Due to the NPI deficit, the Waddell Ranch properties did not contribute to Royalty Income for June of 2021. As of June 30, 2021, the cumulative NPI deficit was 9,986,914. The NPI deficit must be recovered from future proceeds of the Waddell Ranch properties prior to any other proceeds being paid to the Trust.

	THREE MONTHS ENDED MARCH 31			
	2021		2020	
	WADDELL RANCH PROPERTIES	TEXAS ROYALTY PROPERTIES	WADDELL RANCH PROPERTIES	TEXAS ROYALTY PROPERTIES
Gross proceeds of sales from the Underlying Properties				
Oil proceeds	\$ 7,902,252	\$ 2,316,022	\$ 8,714,010	\$ 3,869,622
Gas proceeds	3,113,808	151,418	928,157	211,226
Other (adjustment)	1,229,475(1)	—	—	—
Total	12,245,535	2,467,440	9,642,167	4,080,848
Less:				
Severance tax:				
Oil	304,619	95,845	408,701	152,290
Gas	91,806	6,176	63,470	11,784
Lease operating expense and property tax:				
Oil and gas	2,204,522	129,824	5,214,225	38,915
Capital expenditures	9,584,718	—	328,380	—
Total	12,245,535	231,485	6,214,776	202,989
Net profits	0	2,235,955	3,427,391	3,877,859
Net overriding royalty interests	75%	95%	75%	95%
Royalty income	\$ 0	\$ 2,124,157	\$ 2,570,543	\$ 3,683,966

(1) Due to the NPI deficit, the Waddell Ranch properties did not contribute to Royalty income for the three months ended March 31, 2021. As of March 31, 2021, the cumulative NPI deficit is \$7,645,016 for the underlying property (at 75%). The NPI deficit must be recovered from future proceeds of the Waddell Ranch properties prior to any other proceeds being paid to the Trust.

PERMIAN BASIN ROYALTY TRUST

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	THREE MONTHS ENDED June 30, 2021	THREE MONTHS ENDED June 30, 2020
Royalty income	\$ 2,941,146	\$ 2,446,502
Interest income	1,273	2,423
	2,942,419	2,448,925
Reserve for expenses	\$ —	(50,000)
General and administrative expenditures	(284,304)	(470,893)
Distributable income	\$ 2,658,115	\$ 1,928,032
Distributable income per Unit (46,608,796 Units)	\$.06	\$.04

The accompanying notes are an integral part of these condensed financial statements.

	Three Months Ended	
	2021	2020
Royalties:		
Oil sales (Bbls)	201,698	76,817
Gas sales (Mcf)	802,960	183,189
Properties From Which The Royalties Were Carved:		
Oil:		
Total oil sales (Bbls)	259,400	205,387
Average per day (Bbls)	2,882	2,257
Average price per Bbl	\$ 59.35	\$ 32.21
Gas:		
Total gas sales (Mcf)	1,064,296	862,083
Average per day (Mcf)	11,696	9,473
Average price per Mcf	\$ 2.69	\$ 0.80

Production from the 2020 budgeted new wells (net to the Trust) through 6/30/21 was 76,978 BOE.

Production from the 2021 budgeted new wells (net to the Trust) through 6/30/21 was 37,561 BOE.

PBT is a low float and low volume ticker due to the lack of cash distribution for the past 3 years with no new wells being created. This creates opportunity for growth and a quality view of when to exit. As volume increases you will see a clear indication of where the stock is headed and how it will trade without worrying about chasing a pump and dump. PBT should grind slowly upwards as renewed confidence in the market settles on COVID and the above projections start to play out.

My Current Positions:

◆ Ticker	Value/Cost ◆	Today ◆	Total ◆
PBT	479,885.28	0.00	+ 172,767.16
5.3200	307,118.12	0.00%	+ 56.25%
3.40 x 90,204.00 shares			
1.96 x 2,000.00 shares			
PBT210917C000...	8,000.00	0.00	+ 6,000.00
0.4000	2,000.00	0.00%	+ 300.00%
0.10 x 20,000.00 shares			

Audio Overview: <https://youtu.be/-DKNkFudkdQ>

Discord: Broncho24