

TAX INFORMATION PER UNIT

THIRD QUARTER REPORT 2019

	MONTHLY DISTRIBUTIONS PAID ON:			
	<i>(\$/UNIT EXCEPT COST DEPLETION FACTORS)</i>			
	August 14, 2019	September 16, 2019	October 15, 2019	Total
Gross Income.....	\$ 0.091657	\$ 0.089282	\$ 0.070669	\$ 0.251608
Less Severance Taxes.....	(0.013705)	(0.013689)	(0.012073)	(0.039467)
Interest Income.....	0.000352	0.000365	0.000339	0.001056
Less Administration Expenses.....	(0.011223)	(0.004419)	(0.010076)	(0.025718)
Reconciling Items.....	0.000000	0.000000	0.000000	0.000000
NET CASH DISTRIBUTION.....	\$ 0.067081	\$ 0.071539	\$ 0.048859	\$ 0.187479
Cost Depletion Factors:				
Texas - 90%.....	0.003873	0.002613	0.001508	0.007994
Oklahoma - 90%.....	0.007505	0.008515	0.009084	0.025104
New Mexico - 90%.....	0.004678	0.005120	0.004674	0.014472
Texas - 75%.....	0.000000	0.000000	0.000000	0.000000
Oklahoma - 75%.....	0.002320	0.002646	0.000000	0.004966

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.crt-crosstimbers.com.

Cross Timbers Royalty Trust 2911 Turtle Creek Blvd, Ste 850, Dallas, TX 75219
855.588.7839 ■ Simmons Bank, Trustee ■ www.crt-crosstimbers.com



2019
Third Quarter Report

CROSS TIMBERS ROYALTY TRUST



TO UNITHOLDERS:

For the quarter ended September 30, 2019, net profits income was \$1,272,845 compared to \$2,257,576 for third quarter 2018. This 44% decrease in net profits income is primarily the result of decreased oil and gas production (\$0.8 million), lower oil and gas prices (\$0.5 million), increased production expenses (\$0.1 million), partially offset by net excess costs activity on the Texas and Oklahoma working interest properties (\$0.2 million) and lower transportation, taxes and other costs (\$0.2 million).

After considering interest income of \$6,337 and administration expense of \$154,308, distributable income for the quarter ended September 30, 2019 was \$1,124,874, or \$0.187479 per unit of beneficial interest. Administration expense for the quarter increased \$35,694 from 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 and interest rates. For third quarter 2018, distributable income was \$2,144,706, or \$0.357451 per unit.

Distributions to unitholders for the quarter ended September 30, 2019 were:

RECORD DATE	PAYMENT DATE	DISTRIBUTION PER UNIT
July 31, 2019	August 14, 2019	\$ 0.067081
August 30, 2019	September 16, 2019	0.071539
September 30, 2019	October 15, 2019	0.048859
		<u>\$ 0.187479</u>

This letter, and all communications to unitholders, includes information provided to the Trustee by XTO Energy Inc.

CROSS TIMBERS ROYALTY TRUST
BY: SIMMONS BANK, TRUSTEE

BY: NANCY WILLIS
VICE PRESIDENT

CROSS TIMBERS ROYALTY TRUST FINANCIAL STATEMENTS CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS (UNAUDITED)

	September 30, 2019	December 31, 2018
ASSETS		
Cash and Short-Term Investments	\$ 1,291,121	\$ 1,600,694
Interest to be Received.....	2,033	2,324
Net Profits Interests in Oil and Gas Properties – Net	8,237,771	8,526,512
	<u>\$ 9,530,925</u>	<u>\$10,129,530</u>
LIABILITIES AND TRUST CORPUS		
Distribution Payable to Unitholders	\$ 293,154	\$ 603,018
Expense Reserve ^(a)	1,000,000	1,000,000
Trust Corpus (6,000,000 Units of Beneficial Interest Authorized and Outstanding)	8,237,771	8,526,512
	<u>\$ 9,530,925</u>	<u>\$10,129,530</u>

^(a) Expense reserve allows Trustee to pay its obligations should it be unable to pay them out of the net profits income. The reserve is currently funded at \$1,000,000.

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended September 30 2019	September 30 2018	Nine Months Ended September 30 2019	September 30 2018
Net Profits Income	\$ 1,272,845	\$ 2,257,576	\$ 4,466,126	\$ 6,868,248
Interest Income.....	6,337	5,744	19,965	13,919
TOTAL INCOME.....	1,279,182	2,263,320	4,486,091	6,882,167
Administration Expense	154,308	118,614	558,245	537,953
Distributable Income.....	\$ 1,124,874	\$ 2,144,706	\$ 3,927,846	\$ 6,344,214
Distributable Income per Unit (6,000,000 Units)	<u>\$ 0.187479</u>	<u>\$ 0.357451</u>	<u>\$ 0.654641</u>	<u>\$ 1.057369</u>

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended September 30 2019	September 30 2018	Nine Months Ended September 30 2019	September 30 2018
Trust Corpus, Beginning of Period.....	\$ 8,324,828	\$ 8,924,865	\$ 8,526,512	\$ 9,311,334
Amortization of Net Profits Interests.....	(87,057)	(219,836)	(288,741)	(606,305)
Distributable Income.....	1,124,874	2,144,706	3,927,846	6,344,214
Distributions Declared	(1,124,874)	(2,144,706)	(3,927,846)	(6,344,214)
Trust Corpus, End of Period	<u>\$ 8,237,771</u>	<u>\$ 8,705,029</u>	<u>\$ 8,237,771</u>	<u>\$ 8,705,029</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 September 30, 2019.