Texas Pacific Land Trust

REPORT

for the

Year Ended December 31, 2011

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TEXAS PACIFIC LAND TRUST

1700 Pacific Avenue, Suite 2770

Dallas, Texas 75201

To Sub-share and Certificate Holders:

In 2011, the Trust had the highest earnings in its 124 year history. Operating revenue and investment income totaled $34,319,036, compared to $20,091,672 in 2010, an increase of 70.8%. Net income was $20,594,769 versus $11,308,711 in 2010. Earnings per sub-share for the year 2011 were $2.21.

In the past, the Trustees have declared a cash dividend at their February meeting. A cash dividend of $.21 per sub-share was declared February 22, 2011 and paid March 11, 2011. At their February 2012 meeting, the Trustees declared a cash dividend of $.23 per sub-share, payable March 14, 2012 to sub-share holders of record at the close of business on March 6, 2012. This is the ninth consecutive year that the dividend declared in February has been increased.

In 2011 land sales were $11,873,112 compared to $2,738,070 in 2010. These sales represented 34.6% of the Trust's total operating revenues and investment income in 2011, compared to 13.6% in 2010. The Trust sold a total of 31,446.46 acres located in nine of the twenty counties in which surface ownership is held. Because land sales may vary significantly from year to year, the total dollar volume of such sales in any one year should not be assumed to be indicative of sales in the future.

2011 operating revenues and investment income, exclusive of land sales, were $22,445,924 and consisted of the following:

- Oil and gas royalty revenue was $14,685,502.

  This compared to $11,573,563 in 2010, an increase of 26.9%. Crude oil production was up 8.4%, and the average price of crude oil was 19.6% above the average price in 2010. Total gas production increased 14.6%, and the average price of gas increased 2.9% in 2011 compared to 2010.

- Interest on notes receivable was $879,749 and interest on investments was $18,528.

  This compares to interest on notes receivable of $1,082,019 and interest on investments of $25,707 in 2010.

- Other revenues totaled $6,862,145.

  These revenues consisted of $499,400 from grazing lease rentals and $6,362,745 from easements and sundry income. Grazing lease rental income was down 1.3% compared to 2010. Easements and sundry income were up 52.7% from 2010. These are unpredictable and may vary significantly from period to period.

The Trust received total cash principal payments on notes receivable of $4,163,545 in 2011, which included $2,683,841 of prepaid principal. At year end 2011, the principal amount of notes receivable from land sales was $10,354,103 compared to $14,342,898 at year end 2010.

Total expenses for 2011 were $13,724,267, which includes Federal and state taxes of $11,084,100. The comparable 2010 figures were $8,782,961 and $5,890,850, respectively.

The Trust purchased and retired 373,030 sub-shares at a cost of $16,030,938, representing an average of $42.97 per sub-share, during 2011. The number of sub-shares purchased and retired in 2011 amounted to 3.9% of the total number of sub-shares outstanding on December 31, 2010. The market price of sub-shares on the New York Stock Exchange ranged from a low of $33.62 to a high of $49.54 during 2011. As provided in Article Seventh of the Declaration of Trust, dated February 1, 1888, establishing the Trust, it will continue to be the practice of the Trustees to purchase and cancel outstanding certificates and sub-shares. These purchases are generally made in the open market and there is no arrangement, contractual or otherwise, with any person for any such purchase. The Trust may negotiate prices on unsolicited blocks of sub-shares which it may be offered.

The range of reported sales prices for sub-shares on the New York Stock Exchange for each calendar quarter during the past two years was as follows:

	2011		2010	
	High	Low	High	Low
1st quarter	$47.82	$35.05	$30.99	$25.15
2nd quarter	$49.54	$42.26	$30.57	$25.60
3rd quarter	$47.10	$34.76	$40.29	$25.58
4th quarter	$43.89	$33.62	$43.97	$35.00

Certificates of proprietary interest and sub-shares are interchangeable in the ratio of one certificate for 3,000 sub-shares or 3,000 sub-shares for one certificate of proprietary interest.

There follows a report dated February 24, 2012 by Mr. Roy Thomas, the General Agent of the Trustees, showing the operations of the Trust for 2011.

Maurice Meyer III,

John R. Norris III,

James K. Norwood,

Trustees.

To Messrs.

Maurice Meyer III John R. Norris III James K. Norwood	}	Trustees,

GENTLEMEN:

The following is a report of the operations in connection with the properties of Texas Pacific Land Trust for the year 2011. A summary of land sales is shown in the table below:

LAND TRANSACTIONS — 2011

County	Acres	Consideration	Cash	Deferred Payments
Land sales:				
Coke	1,067.40	$ 907,290.00	$ 907,290.00	$ 0.00
Crane	233.00	233,000.00	58,250.00	174,750.00
Culberson	15,745.70	3,725,140.00	3,725,140.00	0.00
Glasscock	2,359.99	1,350,000.00	1,350,000.00	0.00
Hudspeth	4,514.00	902,800.00	902,800.00	0.00
Midland	282.96	2,122,200.00	2,122,200.00	0.00
Reagan	909.00	499,950.00	499,950.00	0.00
Reeves	5,963.41	1,928,682.00	1,928,682.00	0.00
Sterling	371.00	204,050.00	204,050.00	0.00
Total	31,446.46	$11,873,112.00	$11,698,362.00	$174,750.00

NET CHANGES IN ACREAGE

County	Land Sales	Resurvey	Total
Coke	1,067.40–		1,067.40–
Crane	233.00–		233.00–
Culberson	15,745.70–		15,745.70–
El Paso		0.207+	0.20+
Glasscock	2,359.99–		2,359.99–
Hudspeth	4,514.00–		4,514.00–
Midland	282.96–	5.603+	277.35–
Reagan	909.00–		909.00–
Reeves	5,963.41–		5,963.41–
Sterling	371.00–		371.00–
Total	31,446.46–	5.810+	31,440.65–

Of the $11,873,112 in 2011 land sales, $11,698,362 (98.5%) was received in cash with a deferred balance of $174,750 in the aggregate payable in annual installments over fifteen years at an interest rate of 7.0% per annum. The land sold in 2011 included 282.96 acres of commercial land in Midland County at a price of $7,500 per acre. The remaining sales were rural ranch type property located in Coke, Crane, Culberson, Glasscock, Hudspeth, Reagan, Reeves and Sterling counties. This land totaled 31,163.50 acres and had an average price of $313 per acre.

Not included in the Land Transactions described above was an exchange of 20,337.47 acres in Culberson County.

COMPARATIVE STATEMENT OF TAXES

For The Past Two Years

Taxes	2011	2010	*Percentage Increase + Decrease –*
Income	$10,161,149	$5,115,470	98.6 +
Ad valorem	102,625	112,531	8.8 –
Crude oil and gas production	769,807	612,362	25.7 +
Payroll and other taxes	50,519	50,487	0.1 +
Total	$11,084,100	$5,890,850	88.2 +

GRAZING LEASES

Grazing lease rental revenue was $499,400 in 2011, an average of 55.6¢ per acre, compared to $506,211 in 2010, an average of 53.3¢ per acre. At year end, grazing leases were in effect on 898,837 acres (97%) of the Trust’s lands.

LOCATION OF UNSOLD LANDS AND NONPARTICIPATING PERPETUAL ROYALTY INTERESTS

As of December 31, 2011

	ACREAGE		
County	*Surface*	*1/128 Royalty*	*1/16 Royalty*
Callahan			80.00
Coke			1,183.50
Crane	4,007.56	264.65	5,198.15
Culberson	299,894.39		111,513.14
Ector	20,433.06	33,633.45	11,792.88
El Paso	16,628.86		
Fisher			320.00
Glasscock	23,387.00	3,600.00	11,110.91
Howard	5,619.85	3,098.54	2,320.00
Hudspeth	155,953.44		1,008.00
Jeff Davis	14,304.87		7,554.65
Loving	74,431.51	6,106.66	48,066.00
Martin			320.00
Midland	37,357.85	13,425.00	15,360.00
Mitchell	1,599.00	1,760.00	585.91
Nolan	1,600.00	2,487.73	3,157.43
Palo Pinto			800.00
Pecos	43,407.12	320.00	16,895.31
Presidio			3,200.00
Reagan	1,280.00	6,162.15	1,273.63
Reeves	188,146.87	3,013.34	116,690.98
Stephens		2,817.33	160.00
Sterling	6,512.46	640.00	2,080.00
Taylor	689.73		966.00
Upton	25,717.82	6,903.00	9,100.60
Winkler	7,803.69	1,181.75	3,040.00
Total	928,775.08	85,413.60	373,777.09

A map showing the general location of the above described surface acreage appears on the last page of this Report.

OIL AND GAS

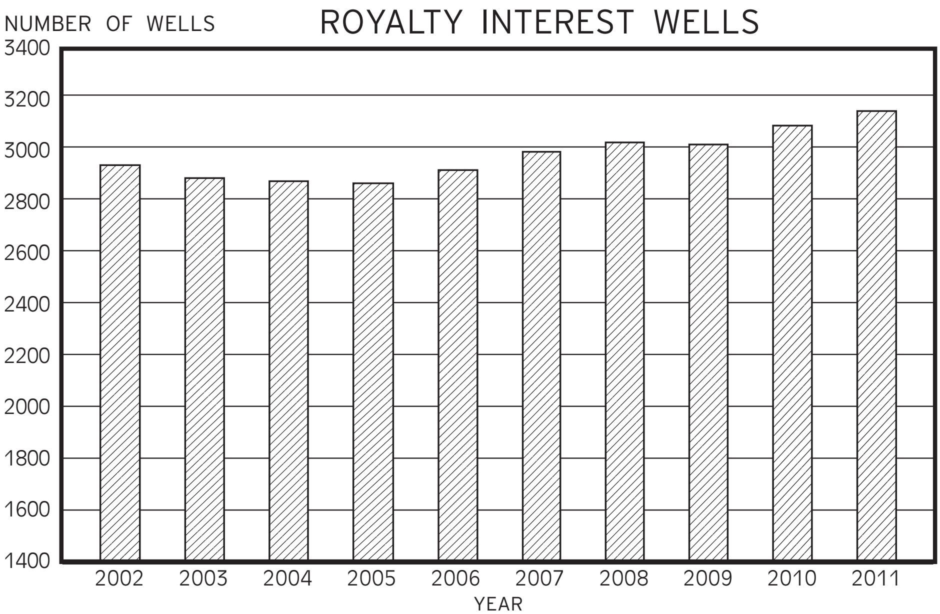
Oil and gas royalty revenue was $14,685,502 in 2011, up 26.9% compared to $11,573,563 in 2010. Oil royalty revenue was $11,434,640, up 29.7%, and gas royalty revenue was $3,250,862, up 17.9%, compared to 2010. Gas royalty revenue amounted to 22.1% of total oil and gas royalty revenue in 2011 compared to 23.8% in 2010.

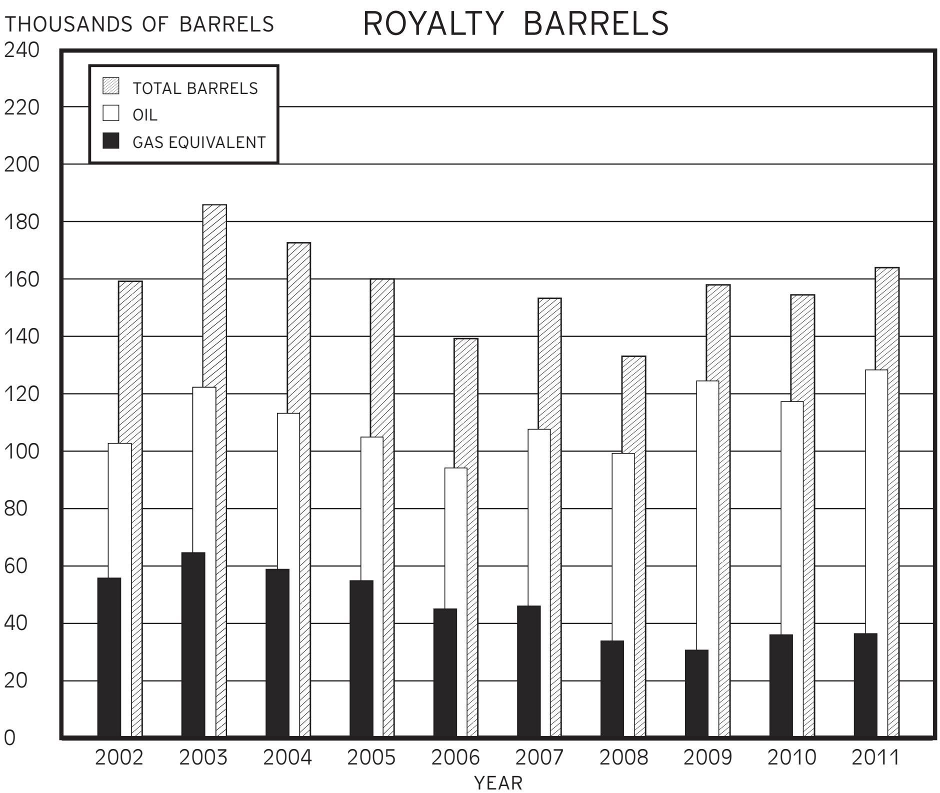
Crude oil production increased 8.4% in 2011 compared to 2010. The average price received in 2011 was $89.21 per barrel compared to $74.57 per barrel in 2010, up 19.6%. Gas production increased 14.6% in 2011 compared to 2010. The average price of gas increased to $5.68 per MCF in 2011 from $5.52 in 2010, up 2.9%. State oil and gas production taxes amounted to $769,807 in 2011 compared to $612,362 in 2010.

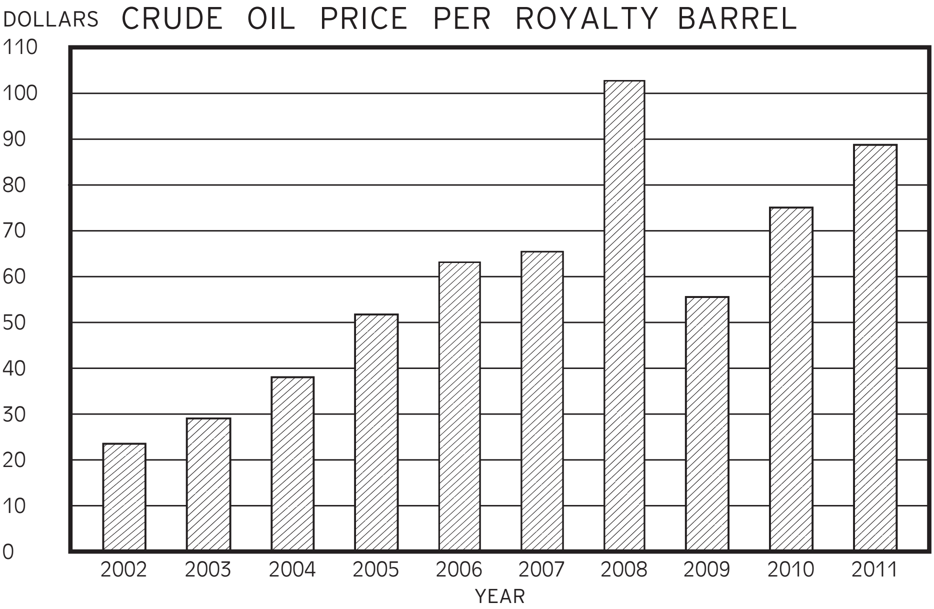
Total production increased 9,950 oil royalty barrels and decreased 901 gas equivalent royalty barrels as shown in the two-year comparison of royalty barrels and royalty revenue.

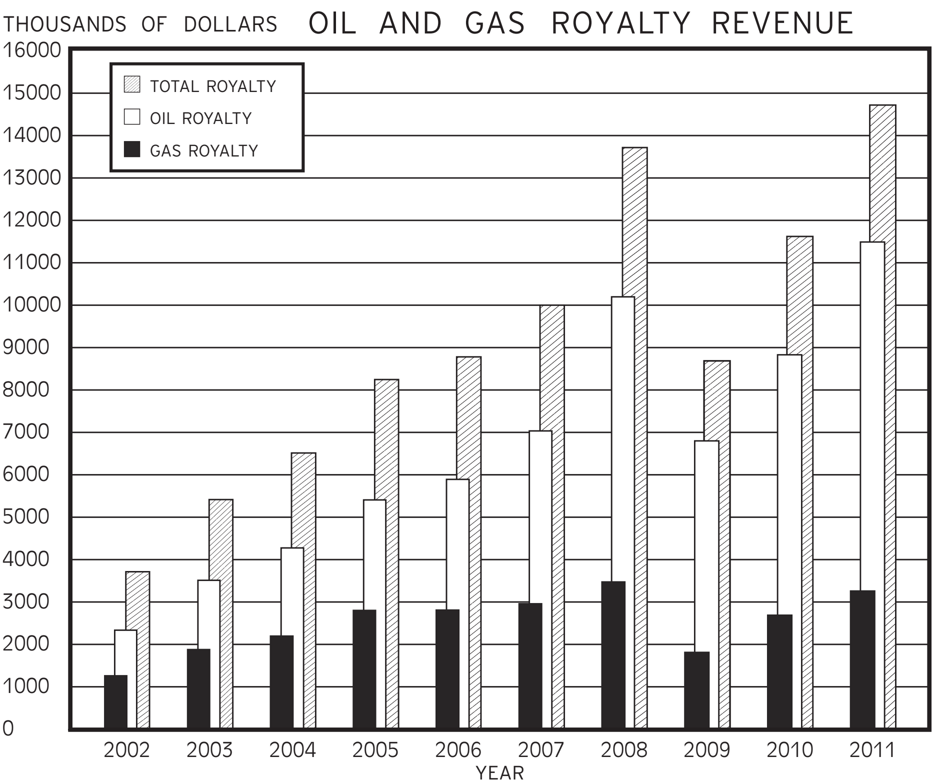
	Royalty Production	
	2011	*2010*
Oil, Bbls.	128,170	118,220
Gas, Mcf.	572,506	499,615
Gas, Bbls. Equiv.	36,083	36,984
Total, Bbls. Equiv.	164,253	155,204

	Royalty Revenue	
	2011	*2010*
Oil	$11,434,640	$ 8,815,689
Gas	$ 3,250,862	$ 2,757,874
Total	$14,685,502	$11,573,563


NUMBER OF WELLS
ROYALTY INTEREST WELLS
3400
3200
3000
2800
2600
2400
2200
2000
1800
1600
1400
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
YEAR


THOUSANDS OF BARRELS
ROYALTY BARRELS
TOTAL BARRELS
OIL
GAS EQUIVALENT
240
220
200
180
160
140
120
100
80
60
40
20
0
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
YEAR


DOLLARS
CRUDE OIL PRICE PER ROYALTY BARREL
110
100
90
80
70
60
50
40
30
20
10
0
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
YEAR


THOUSANDS OF DOLLARS
OIL AND GAS ROYALTY REVENUE
TOTAL ROYALTY
OIL ROYALTY
GAS ROYALTY
16000
15000
14000
13000
12000
11000
10000
9000
8000
7000
6000
5000
4000
3000
2000
1000
0
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
YEAR

NEW WELLS DEVELOPED DURING 2011
SUBJECT TO THE TRUST'S NONPARTICIPATING
PERPETUAL ROYALTY INTEREST

	NUMBER OF WELLS	
County and Field	*1/128* Royalty*	*1/16* Royalty*
CULBERSON COUNTY		
Ford, West-4,100' — Cherry Canyon Sand		4
Geraldine Ford — Delaware		1
ECTOR COUNTY		
Cowden, South — San Andres		1
Goldsmith — Clearfork	18	13
Monahans Draw — Canyon	1	
Mosswell — 8,720' Strawn		1
Sallie Ann — Spraberry — Wolfcamp	2	2
Spraberry Trend Area		2
TXL — Tubb Sand	6	
GLASSCOCK COUNTY		
Spraberry Trend Area		1
LOVING COUNTY		
Brushy Draw — Cherry Canyon		1
Wildcat — 16,000'	1	
MIDLAND COUNTY		
Pegasus	1	
Spraberry Trend Area	2	5
MITCHELL COUNTY		
Westbrook Field	1	
NOLAN COUNTY		
Lake Trammel, West — Canyon	2	
REEVES COUNTY		
Wolfbone Trend Area		1
STEPHENS COUNTY		
Stephens County Regular	1	
UPTON COUNTY		
Pegasus	3	
Pegasus — Devonian	2	
Spraberry Trend Area		3
	40	35

* *Subject to adjustment for unitization or producing units.*

Seventy-five oil wells were completed in 2011. These wells were completed at producing depths ranging from 3,114 feet to 16,552 feet and were assigned an average allowable of 77 barrels of oil per well per day.

Ten wells located in Ector, Loving and Upton counties were reworked and completed in different producing formations. Four depleted wells were plugged and abandoned.

At the end of the year, the Trust's royalty wells totaled 3,165 consisting of 910 oil and 61 gas wells subject to a 1/16 royalty interest and 2,127 oil and 67 gas wells subject to a 1/128 royalty interest.

Respectfully submitted,

ROY THOMAS,
General Agent

Dallas, Texas
February 24, 2012

FIVE YEAR STATEMENT OF INCOME AND SELECTED FINANCIAL DATA

Income:

Oil and gas royalties . . . .
Grazing lease rentals . . . .
Land sales . . . .
Interest income from notes receivable . . . .
Easements and sundry income . . . .

Expenses:

Taxes, other than income taxes . . . .
Salaries and related employee benefits . . . .
General expense, supplies and travel . . . .
Basis in real estate sold . . . .
Legal and professional fees . . . .
Depreciation . . . .
Trustees' compensation . . . .

Operating income . . . .

Interest income earned from investments . . . .

Income before income taxes . . . .

Income taxes . . . .

Net income . . . .

Net income per Sub-share Certificate . . . .

Cash dividends per Sub-share Certificate . . . .

Total assets, exclusive of all property with no assigned value . . . .

Year Ended December 31,				
2011	2010	2009	2008	2007
$14,685,502	$11,573,563	$ 8,686,187	$13,694,843	$10,022,709
499,400	506,211	492,802	482,193	479,908
11,873,112	2,738,070	523,010	823,440	1,932,664
879,749	1,082,019	1,216,480	1,361,364	1,464,249
6,362,745	4,166,102	2,166,381	2,934,426	1,565,581
34,300,508	20,065,965	13,084,860	19,296,266	15,465,111
922,951	775,380	611,448	898,619	702,391
1,002,489	1,003,748	999,116	890,077	890,843
571,705	537,127	519,613	572,947	579,690
36,445	—	—	—	693,455
1,008,853	1,327,845	913,206	1,313,600	1,047,019
12,675	15,391	42,141	36,803	35,999
8,000	8,000	8,000	8,000	8,000
3,563,118	3,667,491	3,093,524	3,720,046	3,957,397
30,737,390	16,398,474	9,991,336	15,576,220	11,507,714
18,528	25,707	53,427	228,746	370,000
30,755,918	16,424,181	10,044,763	15,804,966	11,877,714
10,161,149	5,115,470	3,130,720	4,865,193	3,628,026
$20,594,769	$11,308,711	$ 6,914,043	$10,939,773	$ 8,249,688
$2.21	$1.17	$.69	$1.06	$.78
$.21	$.20	$.19	$.18	$.16
$27,432,257	$24,989,360	$26,787,620	$30,785,034	$32,656,735

BALANCE SHEETS

December 31, 2011 and 2010

ASSETS

	2011	2010
Cash and cash equivalents	$13,029,578	$ 7,149,552
Accrued receivables	2,793,288	2,164,842
Other assets	82,057	73,259
Prepaid income taxes	—	57,893
Notes receivable for land sales ($1,707,767 due in 2012 and $1,434,436 due in 2011) (note 2)	10,354,103	14,342,898
Water wells, vehicles, furniture, and equipment — at cost less accumulated depreciation	48,172	39,412
Real estate acquired (notes 2 and 4)	1,125,059	1,161,504
Real estate and royalty interests assigned through the 1888 Declaration of Trust, no value assigned (note 2):		
Land (surface rights) situated in nineteen counties in Texas — 918,650 acres in 2011 and 949,423 acres in 2010	—	—
Town lots in Loraine and Morita, Texas — 318 lots in 2011 and 2010	—	—
1/16 nonparticipating perpetual royalty interest in 373,777.09 acres	—	—
1/128 nonparticipating perpetual royalty interest in 85,413.60 acres	—	—
Total assets	$27,432,257	$24,989,360

(Continued)

BALANCE SHEETS

December 31, 2011 and 2010

LIABILITIES AND CAPITAL

	2011	2010
Accounts payable and accrued expenses	$ 1,079,310	$ 976,202
Income taxes payable	1,380,212	149,233
Other taxes payable	97,707	87,424
Unearned revenue (note 2)	834,120	755,199
Deferred taxes (note 6)	2,953,703	4,282,733
Pension plan liability	539,971	436,343
Total liabilities	6,885,023	6,687,134
Commitments and contingencies (note 7)	—	—
Capital (notes 1, 2 and 8):		
Certificates of Proprietary Interest, par value $100 each; Outstanding 0 Certificates	—	—
Sub-share Certificates in Certificates of Proprietary Interest, par value $.03 ⅓ each; outstanding 9,175,414 Sub-shares in 2011 and 9,548,444 Sub-shares in 2010	—	—
Accumulated other comprehensive income (loss)	(834,314)	(515,724)
Net proceeds from all sources	21,381,548	18,817,950
Total capital	20,547,234	18,302,226
Total liabilities and capital	$27,432,257	$24,989,360

See accompanying notes to financial statements.

STATEMENTS OF INCOME

Years Ended December 31, 2011, 2010 and 2009

	2011	2010	2009
Income:			
Oil and gas royalties	$14,685,502	$11,573,563	$ 8,686,187
Grazing lease rentals	499,400	506,211	492,802
Land sales	11,873,112	2,738,070	523,010
Interest income from notes receivable	879,749	1,082,019	1,216,480
Easements and sundry income	6,362,745	4,166,102	2,166,381
	34,300,508	20,065,965	13,084,860
Expenses:			
Taxes, other than income taxes	922,951	775,380	611,448
Salaries and related employee benefits	1,002,489	1,003,748	999,116
General expense, supplies, and travel	571,705	537,127	519,613
Basis in real estate sold	36,445	—	—
Legal and professional fees	1,008,853	1,327,845	913,206
Depreciation	12,675	15,391	42,141
Trustees' compensation	8,000	8,000	8,000
	3,563,118	3,667,491	3,093,524
Operating income	30,737,390	16,398,474	9,991,336
Interest income earned from investments	18,528	25,707	53,427
Income before income taxes	30,755,918	16,424,181	10,044,763
Income taxes (note 6):			
Current	11,318,631	5,545,503	3,620,265
Deferred	(1,157,482)	(430,033)	(489,545)
	10,161,149	5,115,470	3,130,720
Net income	$20,594,769	$11,308,711	$ 6,914,043
Net income per Sub-share Certificate	$2.21	$1.17	$0.69

See accompanying notes to financial statements.

STATEMENTS OF NET PROCEEDS FROM ALL SOURCES

Years Ended December 31, 2011, 2010 and 2009

	Sub-share Certificates of Proprietary Interest	Accumulated Other Comprehensive Income (Loss)	Net Proceeds From All Sources	Total
Balances at December 31, 2008	10,206,146	$(629,075)	$ 24,153,747	$ 23,524,672
Net income	—	—	6,914,043	6,914,043
Amortization of net actuarial costs and prior service costs, net of income taxes of $27,956	—	51,918	—	51,918
Net actuarial gain on pension plan, net of income taxes of $47,820	—	88,809	—	88,809
Total comprehensive income	—	—	—	$ 7,054,770
Cost of 311,632 Sub-share Certificates in Certificates of Proprietary Interest purchased and cancelled	(311,632)	—	(8,945,001)	(8,945,001)
Dividends paid — $.19 per Sub-share Certificate	—	—	(1,930,444)	(1,930,444)
Balances at December 31, 2009	9,894,514	(488,348)	20,192,345	19,703,997
Net income	—	—	11,308,711	11,308,711
Amortization of net actuarial costs and prior service costs, net of income taxes of $20,989	—	38,979	—	38,979
Net actuarial loss on pension plan, net of income taxes of $(35,729)	—	(66,355)	—	(66,355)
Total comprehensive income	—	—	—	$ 11,281,335
Cost of 346,070 Sub-share Certificates in Certificates of Proprietary Interest purchased and cancelled	(346,070)	—	(10,715,045)	(10,715,045)
Dividends paid — $.20 per Sub-share Certificate	—	—	(1,968,061)	(1,968,061)
Balances at December 31, 2010	9,548,444	(515,724)	18,817,950	18,302,226
Net income	—	—	20,594,769	20,594,769
Amortization of net actuarial costs and prior service costs, net of income taxes of $24,467	—	45,438	—	45,438
Net actuarial loss on pension plan, net of income taxes of $(196,015)	—	(364,028)	—	(364,028)
Total comprehensive income	—	—	—	$ 20,276,179
Cost of 373,030 Sub-share Certificates in Certificates of Proprietary Interest purchased and cancelled	(373,030)	—	(16,030,938)	(16,030,938)
Dividends paid — $.21 per Sub-share Certificate	—	—	(2,000,233)	(2,000,233)
Balances at December 31, 2011	9,175,414	$(834,314)	$ 21,381,548	$ 20,547,234

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2011, 2010 and 2009

	2011	2010	2009
Cash flows from operating activities:			
Net income	$ 20,594,769	$ 11,308,711	$ 6,914,043
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred taxes	(1,329,030)	(444,773)	(413,769)
Depreciation and amortization	12,675	15,391	42,142
(Gain) loss on disposal of fixed assets	(1,424)	2,884	14,311
Changes in operating assets and liabilities:			
Accrued receivables and other assets	(637,244)	(534,636)	(451,198)
Income taxes payable	1,230,979	(48,854)	198,087
Prepaid income taxes	57,893	(57,893)	982,350
Notes receivable for land sales	3,988,795	1,386,027	1,927,302
Real estate acquired	36,445	—	—
Accounts payable, accrued expenses and other liabilities	(22,650)	69,762	179,670
Net cash provided by operating activities	23,931,208	11,696,619	9,392,938
Cash flows from investing activities:			
Proceeds from sale of fixed assets	17,250	12,500	9,000
Purchase of fixed assets	(37,261)	(27,670)	(29,663)
Net cash used in investing activities	(20,011)	(15,170)	(20,663)
Cash flows from financing activities:			
Purchase of Sub-share Certificates in Certificates of Proprietary Interest	(16,030,938)	(10,715,045)	(8,945,001)
Dividends paid	(2,000,233)	(1,968,061)	(1,930,444)
Net cash used in financing activities	(18,031,171)	(12,683,106)	(10,875,445)
Net increase (decrease) in cash and cash equivalents	5,880,026	(1,001,657)	(1,503,170)
Cash and cash equivalents, beginning of period	7,149,552	8,151,209	9,654,379
Cash and cash equivalents, end of period	$ 13,029,578	$ 7,149,552	$ 8,151,209

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011, 2010 and 2009

(1) Nature of Operations

Texas Pacific Land Trust (Trust) was organized under a Declaration of Trust, dated February 1, 1888, to receive and hold title to extensive tracts of land in the State of Texas, previously the property of the Texas and Pacific Railway Company, and to issue transferable Certificates of Proprietary Interest pro rata to the original holders of certain debt securities of the Texas and Pacific Railway Company.

The Trust is organized to manage land, including royalty interests, for the benefit of its owners. The Trust's income is derived primarily from land sales, oil and gas royalties, grazing and sundry leases, interest on notes receivable, and interest on investments.

(2) Summary of Significant Accounting Policies

(a) *Basis of Presentation*

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America. The most significant accounting policies include the valuation of real estate and royalty interests assigned through the 1888 Declaration of Trust and revenue recognition policies.

(b) *Use of Estimates*

The preparation of financial statements in accordance with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

(c) *Revenue Recognition*

Oil and gas royalties

Oil and gas royalties (royalties) are received in connection with royalty interests owned by the Trust. Royalties are recognized as revenue when crude oil and gas products are removed from the respective mineral reserve locations. Royalty payments are generally received one to three months after the crude oil and gas products are removed. An accrual is included in accrued receivables for amounts not received during the month removed based on historical trends.

The Trust has analyzed public reports of drilling activities by the oil companies with which it has entered into royalty interest leases in an effort to identify unpaid royalties associated with royalty interests owned by the Trust. Rights to certain royalties believed by the Trust to be due and payable may be subject to dispute with the oil company involved as a result of disagreements with respect to drilling and related engineering information. Disputed royalties are recorded when these contingencies are resolved.

Grazing lease rentals

The Trust leases land to the ranching industry for grazing purposes. Lease income is recognized when earned. These leases generally require fixed annual payments and terms range from three to five years. Lease cancellations are allowed. Advance lease payments are deferred (unearned revenue) and amortized over the appropriate accounting period. Lease payments not paid are recorded as accrued receivables.

Land sales

Income is recognized on land sales during the periods in which such sales are closed and sufficient amounts of cash down payments are received using the full accrual method of gain recognition. For income tax purposes, land sales are recognized on the installment method. The sales price of land sales are reflected as income and the cost (basis) of the respective parcels of land are reflected as expenses as these parcels of land are not primarily held as income-producing “operating” properties.

Interest income from notes receivable

Interest income is recognized when earned, using the simple interest method. Accrued interest not received is reflected in accrued receivables.

Easements and sundry income

Easement contracts represent contracts which permit companies to install pipe lines, pole lines and other equipment on land owned by the Trust. Easement income is recognized when the Trust receives a signed contract and when the Trust makes available the respective parcel of land to the grantee.

Sundry income represents sundry (diverse) leasing arrangements to companies in a wide array of industries, including: agricultural, oil and gas, construction, wind power and other industries. Lease income is recognized when earned. These leases generally require fixed annual payments or royalties. Lease terms generally range from month-to-month arrangements to ten years. Lease cancellations are allowed.

Advance lease payments are deferred and amortized over the appropriate accounting period. Lease payments not paid are included in accrued receivables.

(d) *Statements of Cash Flows*

Cash and cash equivalents consist of bank deposit and savings accounts. The Trust considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. At times the cash may exceed federally insured limits. The Trust maintains its cash and cash equivalents in two large financial institutions. The Trust monitors the credit quality of these institutions and does not anticipate any losses.

Cash disbursed for income taxes in 2011, 2010 and 2009 was $10,029,759, $5,652,250, and $2,589,441, respectively. New loans made by the Trust in connection with land sales amounted to $174,750, $0, and $0 for the years ended December 31, 2011, 2010 and 2009, respectively.

(e) *Accrued Receivables*

Accrued receivables consist primarily of amounts due under oil and gas royalty leases and unpaid interest on notes receivable for land sales. Accrued receivables are reflected at their net realizable value based on historical royalty and interest receipt information and other factors anticipated to affect valuation. A valuation allowance is recorded if amounts expected to be received are considered impaired. No allowance was considered necessary at December 31, 2011 and 2010.

(f) *Depreciation*

Provision for depreciation of depreciable assets is made by charges to income at straight-line and accelerated rates considered to be adequate to amortize the cost of such assets over their useful lives, which generally range from three to five years. Accumulated depreciation as of December 31, 2011 and 2010 is $99,387 and $100,763, respectively.

(g) *Notes Receivable for Land Sales*

Notes receivable for land sales (notes receivable) consists of installment notes received as partial payment on land sales and are reflected at the principal amounts due net of an allowance for loan losses, if any. The Trust generally receives cash payments on land sales of 25% or more. Thereafter, annual principal and interest payments are required by the Trust. Notes receivable bear interest rates ranging from 7.0% to 9.0% as of December 31, 2011 and are secured by first lien deeds of trust on the properties sold. The weighted average interest rate is 7.2% as of December 31, 2011. The annual installments on notes are generally payable over terms of 10 to 15 years. There is no penalty for prepayment of principal, and prepayments in 2011, 2010 and 2009 were $2,683,841, $60,417, and $665,604, respectively. The interest rates on notes receivable are considered comparable with current rates on similar land sales and, accordingly, the carrying value of such notes receivable approximates fair value.

Management of the Trust monitors delinquencies to assess the propriety of the carrying value of its notes receivable. Accounts are considered delinquent thirty days after the contractual due dates. At the point in time that notes receivable become delinquent, management reviews the operations information of the debtor and the estimated fair value of the collateral held as security to determine whether an allowance for losses is required. There was no allowance for uncollectible notes receivable at December 31, 2011 and 2010.

Three customers represented approximately 84% of notes receivable at December 31, 2011 and 86% at December 31, 2010.

The maturities of notes receivable for each of the five years subsequent to December 31, 2011 are:

Year ending December 31,	Amount
2012	$ 1,707,767
2013	1,787,984
2014	1,840,938
2015	1,426,966
2016	652,922
Thereafter	2,937,526
	$10,354,103

(h) *Real Estate Acquired*

While the Trust is generally not a purchaser of land, parcels are purchased from time to time at the discretion of the Trustees. Newly acquired real estate is recorded at cost.

Real estate acquired through foreclosure is recorded at the aggregate of the outstanding principal balance, accrued interest, past due ad valorem taxes, and other fees incurred relating to the foreclosure.

Real estate acquired is carried at the lower of cost or market. Valuations are periodically performed or obtained by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments, if any, are recorded by a charge to net income and a valuation allowance if the carrying value of the property exceeds its estimated fair value. Minimal, if any, real estate improvements are made to land.

(i) *Real Estate and Royalty Interests Assigned Through the 1888 Trust Indenture*

The fair market value of the Trust's land and royalty interests was not determined in 1888 when the Trust was formed; therefore, no value is assigned to the land, town lots, royalty interests, Certificates of Proprietary Interest, and Sub-share Certificates in Certificates of Proprietary Interest in the accompanying balance sheets. Consequently, in the statements of income, no allowance is made for depletion and no cost is deducted from the proceeds of original land sales. Even though the 1888 value of real properties cannot be precisely determined, it has been concluded that the effect of this matter can no longer be significant to the Trust's financial position or results of operations. For Federal income tax purposes, however, deductions are made for depletion, computed on the statutory percentage basis of income received from royalties. Minimal, if any, real estate improvements are made to land.

(j) *Net Income per Sub-share*

The cost of Sub-share Certificates purchased and retired is charged to net proceeds from all sources. Net income per Sub-share Certificate is based on the weighted average number of Sub-share Certificates in Certificates of Proprietary Interest and equivalent Sub-share Certificates of Proprietary Interest outstanding during each period (9,336,998 in 2011, 9,679,921 in 2010 and 10,018,028 in 2009).

(k) *Income Taxes*

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The liability for unrecognized tax benefits is zero at December 31, 2011 and 2010.

(l) *Recent Accounting Pronouncements*

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820) — Improving Disclosures about Fair Value Measurements* (“ASU 2010-06”). This update requires the following new disclosures: (i) the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and a description of the reasons for the transfers; and (ii) a reconciliation for fair value measurements using significant unobservable inputs (Level 3), including separate information about purchases, sales, issuances, and settlements. The update also clarifies existing requirements about fair value measurement disclosures and disclosures about inputs and valuation techniques. The new disclosures and clarifications of existing disclosures were effective for interim and annual reporting periods beginning after December 15, 2009, except for the reconciliation of Level 3 activity, which was effective for the Company in the first quarter of 2011. Adoption of this guidance had no effect on the Company’s results of operations, financial position and cash flows.

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, *“Comprehensive Income (Topic 220): Presentation of Comprehensive Income”* (“ASU 2011-05”). ASU 2011-05 amends existing guidance by allowing only two options for presenting the components of net income and other comprehensive income: (1) in a single continuous financial statement, statement of comprehensive income or (2) in two separate but consecutive financial statements, consisting of an income statement followed by a separate statement of other comprehensive income. ASU No. 2011-05 requires retrospective application, and it is effective for fiscal years beginning after December 15, 2011. We will adopt the provisions of ASU 2011-05 in the first quarter of 2012, and are currently evaluating which presentation option for the components of net income and other comprehensive income we will use.

No other effective or pending accounting pronouncements are expected to affect the Trust.

(m) *Comprehensive Income (Loss)*

Comprehensive income (loss) consists of net income and other gains and losses affecting capital that, under accounting principles generally accepted in the United States of America, are excluded from net income.

(3) Segment Information

Segment information has been considered in accordance with the accounting standards. GAAP suggests using a management approach based on the way that management organizes the segments within the enterprise for making operating decisions and assessing performance. The Trust's management views its operations as one segment and believes the only significant activity is managing the land, which was conveyed to the Trust in 1888. Managing the land includes sales and leases of such land, and the retention of oil and gas royalties. The cost structure of the Trust is centralized and not segmented.

(4) Real Estate Acquired

Real estate acquired included the following activity for the years ended December 31, 2011 and 2010:

	2011		*2010*	
	Acres	*Book Value*	*Acres*	*Book Value*
Balance at January 1:	10,793.23	$1,161,504	10,793.23	$1,161,504
Additions	—	—	—	—
Sales	(668.45)	(36,445)	—	—
Balance at December 31:	10,124.78	$1,125,059	10,793.23	$1,161,504

No valuation allowance was necessary at December 31, 2011 and 2010.

(5) Employee Benefit Plans

The Trust has a defined contribution plan available to all regular employees having one or more years of continuous service. Contributions are at the discretion of the Trustees of the Trust. The Trust contributed $38,918, $43,824, and $43,071 in 2011, 2010, and 2009, respectively.

The Trust has a noncontributory pension plan (Plan) available to all regular employees having one or more years of continuous service. The Plan provides for normal retirement at age 65. Contributions to the Plan reflect benefits attributed to employees' services to date, as well as services expected in the future.

The following table sets forth the Plan's changes in benefit obligation, changes in fair value of plan assets, and funded status as of December 31, 2011 and 2010 using a measurement date of December 31:

	2011	2010
Change in projected benefits obligation:		
Projected benefit obligation at beginning of year	$3,073,740	$2,796,056
Service cost	96,083	96,251
Interest cost	171,493	169,460
Actuarial (gain) loss	424,503	99,013
Benefits paid	(125,354)	(87,040)
Projected benefit obligation at end of year	$3,640,465	$3,073,740
Change in plan assets:		
Fair value of plan assets at beginning of year	$2,637,397	$2,224,361
Actual return on plan assets	45,312	150,076
Contributions by employer	543,139	350,000
Benefits paid	(125,354)	(87,040)
Fair value of plan assets at end of year	$3,100,494	$2,637,397
Unfunded status at end of year	$ (539,971)	$ (436,343)

Amounts recognized in the balance sheets as of December 31 consist of:

	2011	2010
Assets	$ —	$ —
Liabilities	(539,971)	(436,343)
	$(539,971)	$(436,343)

Amounts recognized in accumulated other comprehensive income (loss) consist of the following at December 31:

	2011	2010
Net actuarial loss	$(1,259,043)	$(760,309)
Prior service cost	(24,517)	(33,113)
Amounts recognized in accumulated other comprehensive income (loss), before taxes	(1,283,560)	(793,422)
Income tax benefit	449,246	277,698
Amounts recognized in accumulated other comprehensive income (loss), after taxes	$ (834,314)	$(515,724)

Net periodic benefit cost for the years ended December 31, 2011, 2010 and 2009 include the following components:

	2011	2010	2009
Components of net periodic benefit cost:			
Service cost	$ 96,083	$ 96,251	$ 93,366
Interest cost	171,493	169,460	161,591
Expected return on plan assets	(180,852)	(153,147)	(138,635)
Amortization of unrecognized gains	61,309	50,553	65,816
Amortization of prior service cost	8,596	9,416	14,057
Net periodic benefit cost	$ 156,629	$ 172,533	$ 196,195

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income:

	2011	2010	2009
Net actuarial (gain) loss	$560,043	$102,084	$(136,629)
Recognized actuarial loss	(61,309)	(50,553)	(65,816)
Recognized prior service cost	(8,596)	(9,416)	(14,057)
Total recognized in other comprehensive income, before taxes	$490,138	$ 42,115	$(216,502)
Total recognized in net benefit cost and other comprehensive income, before taxes	$646,767	$214,648	$ (20,307)

The estimated net actuarial loss and prior service cost for the Plan that will be amortized from accumulated other comprehensive income (loss) into net periodic benefit cost over the next fiscal year are $113,723 and $8,596, respectively.

The following table summarizes the projected benefit obligation in excess of Plan assets and the Plan assets in excess of accumulated benefit obligation at December 31, 2011 and 2010:

	2011	2010
Projected benefit obligation in excess of plan assets:		
Projected benefit obligation	$3,640,465	$3,073,740
Fair value of plan assets	$3,100,494	$2,637,397
Plan assets in excess of accumulated benefit obligation:		
Accumulated benefit obligation	$3,076,051	$2,559,433
Fair value of plan assets	$3,100,494	$2,637,397

The following are weighted-average assumptions used to determine benefit obligations and costs at December 31, 2011, 2010, and 2009:

	2011	2010	2009
Weighted average assumptions used to determine benefit obligations as of December 31:			
Discount rate	4.75%	5.75%	6.25%
Rate of compensation increase	7.29	7.29	7.29
Weighted average assumptions used to determine benefit costs for the years ended December 31:			
Discount rate	5.75%	6.25%	6.25%
Expected return on plan assets	7.00	7.00	7.00
Rate of compensation increase	7.29	7.29	7.29

The expected return on Plan assets assumption of 7.0% was selected by the Trust based on historical real rates of return for the current asset mix and an assumption with respect to future inflation. The rate was determined based on a long-term allocation of about two-thirds fixed income and one-third equity securities; historical real rates of return of about 2.5% and 8.5% for fixed income and equity securities, respectively; and assuming a long-term inflation rate of 2.5%.

The Plan has a formal investment policy statement. The Plan's investment objective is balanced income, with a moderate risk tolerance. This objective emphasizes current income through a 60% to 80% allocation to fixed income securities, complemented by a secondary consideration for capital appreciation through an equity allocation in the range of 20% to 40%. Diversification is achieved through investment in mutual funds and bonds. The asset allocation is reviewed annually with respect to the target allocations and rebalancing adjustments and/or target allocation changes are made as appropriate. The Trust's current funding policy is to maintain the Plan's fully funded status on an ERISA minimum funding basis.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

The fair value accounting standards establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect our assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs used in measuring fair value, as follows:

Level 1 — Inputs are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Since inputs are based on quoted prices that are readily and regularly available in an active market, Level 1 inputs require the least judgment.

Level 2 — Inputs are based on quoted prices for similar instruments in active markets, or are observable either directly or indirectly. Inputs are obtained from various sources including financial institutions and brokers.

Level 3 — Inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised by us in determining fair value is greatest for fair value measurements categorized in Level 3.

The fair values of plan assets by major asset category at December 31, 2011 and 2010, respectively, are as follows:

	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and Cash Equivalents				
Money Markets	$ 801,651	$ 801,651	$ —	$ —
Equities				
Unit Investment Trusts	—	—	—	—
Mutual Funds				
Equity Funds	1,026,046	1,026,046	—	—
Fixed Income Funds	1,272,797	1,272,797	—	—
Total	$3,100,494	$3,100,494	$ —	$ —

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents				
Money Markets	$ 117,480	$ 117,480	$ —	$ —
Equities				
Unit Investment Trusts	—	—	—	—
Mutual Funds				
Income Growth Funds	514,254	514,254	—	—
Corporate Bond Funds	—	—	—	—
Fixed Income Funds	2,005,663	2,005,663	—	—
Total	$2,637,397	$2,637,397	$ —	$ —

Management intends to fund the minimum ERISA amount for 2012. The Trust may make some discretionary contributions to the Plan, the amounts of which have not yet been determined.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the following ten year period:

Year ending December 31,	Amount
2012	$ 204,481
2013	201,116
2014	197,676
2015	194,167
2016	194,541
2017 to 2021	1,175,926

(6) Income Taxes

The Trust is taxed as if it were a corporation. Total income tax expense differed from the amounts computed by applying the U.S. Federal income tax rate of 34% to income before Federal income taxes as a result of the following:

	2011	2010	2009
Computed tax expense at the statutory rate	$10,457,012	$5,584,222	$3,415,219
Reduction in income taxes resulting from:			
Statutory depletion	(802,104)	(614,358)	(467,834)
State taxes	238,860	140,559	197,767
Other, net	267,381	5,047	(14,432)
	$10,161,149	$5,115,470	$3,130,720

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2011 and 2010 are as follows:

	2011	2010
Basis difference in pension plan liability	$ 183,590	$ 148,357
Total deferred tax assets	183,590	148,357
Basis differences in real estate acquired through foreclosure	226,378	226,378
Deferred installment revenue on land sales for tax purposes	2,910,915	4,204,712
Total deferred tax liability	3,137,293	4,431,090
Net deferred tax liability	$2,953,703	$4,282,733

The Trust files a United States Federal income tax return. With few exceptions, the Trust is no longer subject to U. S. Federal income tax examination by tax authorities for years before 2008.

(7) Lease Commitments

The Trust is a lessee under an operating lease in connection with its administrative offices located in Dallas, Texas. This lease agreement requires monthly rent of approximately $5,867 and expires in October 2014. Future minimum lease payments were as follows at December 31, 2011:

Year ending December 31,	Amount
2012	$ 70,400
2013	70,400
2014	58,667
2015	—
Thereafter	—
	$199,467

Rent expense amounted to $70,400 for each of the years ended December 31, 2011, 2010, and 2009, respectively.

(8) Capital

Certificates of Proprietary Interest (Certificates) and Sub-share Certificates in Certificates of Proprietary Interest (Sub-shares) are exchangeable in the ratio of one Certificate to 3,000 Sub-shares. No Certificates were exchanged for Sub-shares in 2011 and 2010.

The number of Certificates authorized for issuance at a given date is the number then outstanding plus one/three-thousandth of the number of

Sub-shares then outstanding. The number of Sub-shares authorized for issuance at a given date is the number then outstanding plus three thousand times the number of Certificates then outstanding.

On July 2, 2007, the Trust split all outstanding Sub-shares five-for-one, and in connection therewith changed the par value of the Sub-shares from $.16⅔ to $.03⅓. The split had no effect on Certificates outstanding. All Sub-share and per Sub-share amounts for periods presented in the accompanying financial statements and notes thereto give effect to this split.

The Declaration of Trust was executed and delivered in New York. In the opinion of counsel for the Trust, under the laws of the State of New York, the Certificate and Sub-share Certificate holders are not subject to any personal liability for the acts or obligations of the Trust.

The assets of the Trust are located in Texas. In the opinion of Texas counsel, under the laws of the State of Texas, the Certificate and Sub-share Certificate holders may be held personally liable with respect to claims against the Trust, but only after the assets of the Trust first have been exhausted.

(9) Subsequent Events

We evaluated events that occurred after the balance sheet date through the date these financial statements were issued, and the following event that met recognition or disclosure criteria was identified:

At their February 2012 meeting, the Trustees declared a cash dividend of $.23 per Sub-share, payable March 14, 2012 to Sub-share holders of record at the close of business on March 6, 2012.

(10) Oil and Gas Producing Activities (Unaudited)

The Trust's share of oil and gas produced, all of which is from royalty interests, was as follows for the years ended December 31, 2011, 2010 and 2009, respectively: oil (in barrels) — 128,170, 118,220, and 123,935, and gas (in thousands of cubic feet) — 572,506, 499,615, and 419,440. Reserves related to the Trust's royalty interests are not presented because the information is unavailable.

(11) Selected Quarterly Financial Data (Unaudited)

The following tables present unaudited financial data of the Trust for each quarter of 2011 and 2010:

	Quarter Ended			
	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011
Income	$11,239,562	$8,560,379	$8,798,987	$5,720,108
Income before income taxes	$10,009,760	$7,848,114	$8,012,551	$4,885,493
Net income	$ 6,560,335	$5,258,936	$5,415,929	$3,359,569
Net income per Sub-share Certificate	$0.71	$0.56	$0.58	$0.35

	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Income	$5,465,308	$3,894,375	$6,480,591	$4,251,398
Income before income taxes	$4,125,314	$3,211,679	$5,594,027	$3,493,161
Net income	$2,832,533	$2,228,177	$3,805,534	$2,442,467
Net income per Sub-share Certificate	$0.30	$0.23	$0.39	$0.25

Lane Gorman Trubitt, PLLC
Accountants & Advisors

Report of Independent Registered Public Accounting Firm

To the Trustees and Certificate Holders
Texas Pacific Land Trust

We have audited the accompanying balance sheets of Texas Pacific Land Trust (the Trust) as of December 31, 2011 and 2010 and the related statements of income, net proceeds from all sources, and cash flows for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas Pacific Land Trust as of December 31, 2011 and 2010 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Lane Gorman Trubitt, PLLC

Dallas, Texas
March 12, 2012

Members: AICPA, The Leading Edge Alliance
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TEXAS PACIFIC LAND TRUST

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COMPUTERSHARE
Jersey City, N.J.

TRANSFER AGENT

COMPUTERSHARE
Jersey City, N.J.

PRINCIPAL MARKET FOR SUB-SHARE CERTIFICATES

NEW YORK STOCK EXCHANGE
Ticker Symbol — TPL

Copies of the Trust's Form 10-K Annual Report filed with the Securities and Exchange Commission will be made available to shareholders who request it, without charge (except for Exhibits). To obtain copies please write to Texas Pacific Land Trust, 1700 Pacific Avenue, Suite 2770, Dallas, TX 75201, or visit us on line at http://www.TPLTrust.com.

Computershare

Transfer Agent and Registrar

Computershare
480 Washington Boulevard
Jersey City, New Jersey 07310-1900

Telephone: 1-877-296-3711
Web: www.bnymellon.com/shareowner/equityaccess

As a Texas Pacific Land Trust shareholder, you are invited to take advantage of our convenient shareholder services or request more information about Texas Pacific Land Trust.

Computershare

Computershare, our transfer agent, maintains the records for our registered shareholders and can help you with a variety of shareholder related services at no charge including:

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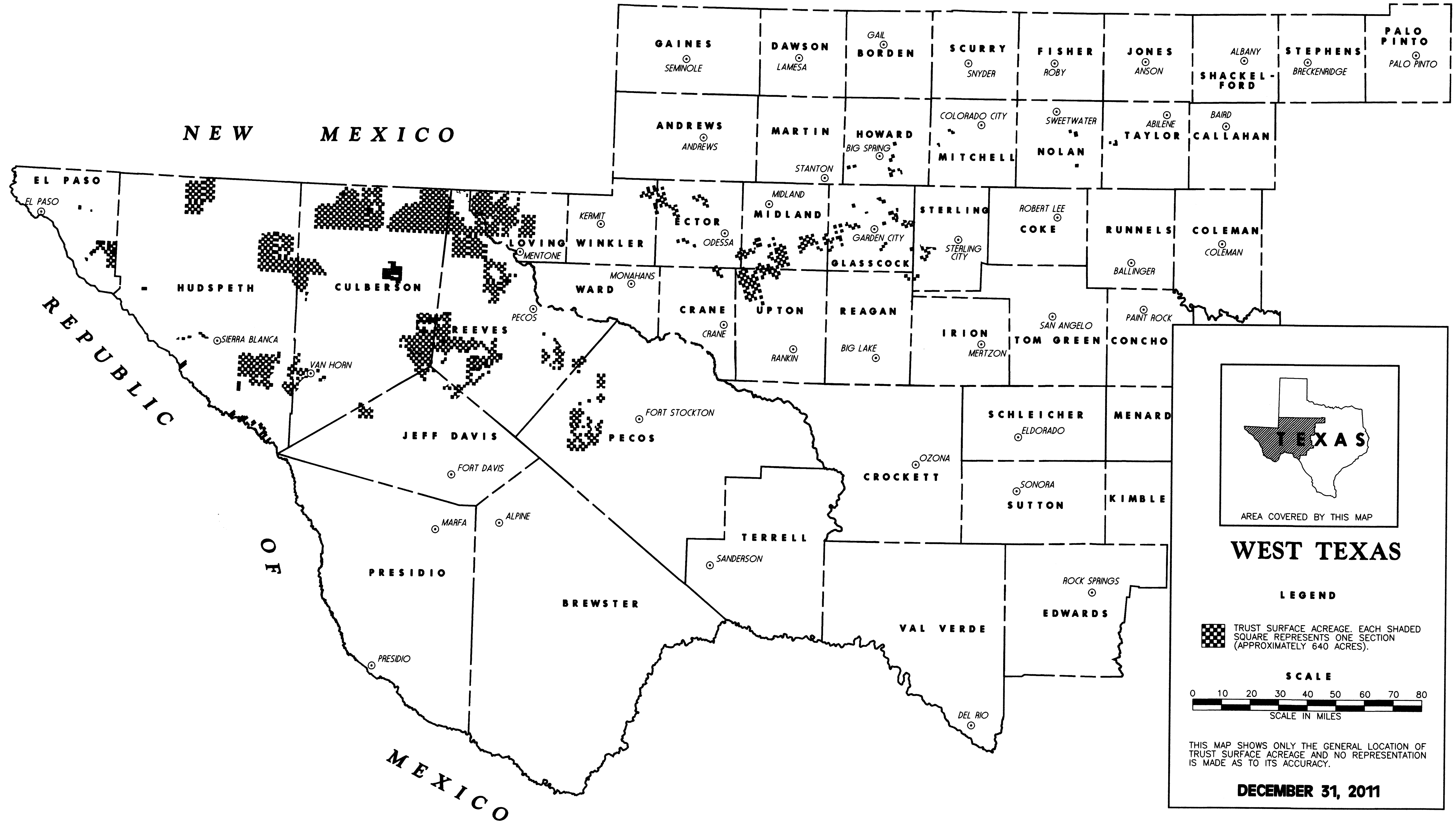

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CRANE
MIDLAND
MIDLAND
UPTON
RANKIN
GLASSCOCK
GARDEN CITY
REAGAN
BIG LAKE
STERLING
STERLING CITY
IRION
MERTZON
COKE
ROBERT LEE
TOM GREEN
SAN ANGELO
RUNNELS
BALLINGER
COLEMAN
COLEMAN
CONCHO
PAINT ROCK
GAINES
SEMINOLE
DAWSON
LAMESA
BORDEN
GAIL
SCURRY
SNYDER
FISHER
ROBY
JONES
ANSON
SHACKEL-FORD
ALBANY
STEPHENS
BRECKENRIDGE
PALO PINTO
PALO PINTO
ANDREWS
ANDREWS
MARTIN
STANTON
HOWARD
BIG SPRING
MITCHELL
COLORADO CITY
NOLAN
SWEETWATER
TAYLOR
ABILENE
CALLAHAN
BAIRD
JEFF DAVIS
FORT DAVIS
PECOS
FORT STOCKTON
PRESIDIO
MARFA
PRESIDIO
BREWSTER
ALPINE
TERRELL
SANDERSON
CROCKETT
OZONA
SCHLEICHER
ELDORADO
SUTTON
SONORA
MENARD
KIMBLE
VAL VERDE
DEL RIO
EDWARDS
ROCK SPRINGS
TEXAS
AREA COVERED BY THIS MAP
WEST TEXAS
LEGEND
TRUST SURFACE ACREAGE. EACH SHADED SQUARE REPRESENTS ONE SECTION (APPROXIMATELY 640 ACRES).
SCALE
0 10 20 30 40 50 60 70 80
SCALE IN MILES
THIS MAP SHOWS ONLY THE GENERAL LOCATION OF TRUST SURFACE ACREAGE AND NO REPRESENTATION IS MADE AS TO ITS ACCURACY.
DECEMBER 31, 2011