

FREQUENTLY ASKED QUESTIONS

General Information

What are royalties?

Royalties represent the interests retained by lessors under an oil, natural gas and mineral lease. Funds are payable on these interests based upon the value of a percentage of the minerals produced from the lease.

What is clearing title?

Clearing title is the process of verifying that you own the interest. Title is the legal right or evidence of the legal right to the property.

What is a division order?

A division order is a directive signed on behalf of an interest owner verifying to the operator of a well the decimal interest of production owned by the owner. It also provides the owner's remittance address and social security number or tax identification number. The division order does not represent a sale of your property or any changes to your lease.

Where can I get a valuation of my mineral interest?

Australis TMS Inc. does not provide appraisal for interests. Please contact a certified petroleum engineer, royalty management company or broker to obtain the value. You may also contact one of these people if you wish to sell your mineral interest.

When are royalties issued each month?

Royalty payment are mailed or deposited electronically into your account on or around the 25th day of each month, unless that day is a weekend or holiday. In that case, payment is mailed or deposited electronically the next business day.

Owner Information and Changes

Where may I find my Owner Number (Account No.)?

The owner number is on your check, check stub detail and on your 1099. Each owner has been assigned a unique five-digit owner number. Please include your owner number in all communications with Australis TMS Inc., including all voicemail messages and in the subject line of any written correspondence.

How do I change my mailing address?

Please refer to the [Address Change](#) form located on the Owner Relations Welcome Page. Fill it out completely and have all persons listed on the account sign and date. Fax to 866-802-0704 or email to australis@ownerrelationsupport.com

How do I change my direct deposit information?

Please refer to the [Direct Deposit](#) form located on the Owner Relations Welcome Page for information on how to enroll for direct deposit.

What documentation is required for a name change?

Please go to the [Ownership Change](#) page for a list of required documents.

How is my royalty interest calculated?

Royalty is calculated based on the following:

- Take the number of net mineral acres that you own within a well's drilling or spacing unit (example: If you own an undivided ½ mineral interest in 80 acres, you own 40 net mineral acres);
- Divide that number by the total acres in that well's drilling or spacing unit; and
- Multiply this number by the royalty interest negotiated in your Oil, Natural Gas and Mineral Lease.

For example, if you own 40 net mineral acres, the drilling or spacing unit is 640 acres and the royalty interest is 1/8th, then your royalty interest in the well is $(40/640) \times 1/8 = 0.0078125$.

What is the minimum payment amount?

An owner must accumulate a minimum balance in their account of \$100 in order for a check or direct deposit to be issued, unless state legislation stipulates a different minimum balance. A payment will be automatically issued in the month that your account has accumulated this minimum amount.

Why does my monthly payment vary?

Many factors can cause your payment to vary, such as market conditions, suspended payments, adjustments (including any overpayments or underpayments), fluctuating commodity prices, regulatory or contractual changes, production volumes, seasonal conditions and routine maintenance or operating issues which may affect the volumes produced from a well during a given time period.

Why does my payment differ from others in my family?

This can occur because ownership between family members is not equal, because one party has not provided Australis TMS Inc. with Social Security Number or Taxpayer Identification Number or other required information, or because some family members may own interest in other properties in addition to those commonly owned.

Why am I being charged expenses/deductions even though I am not a working interest owner?

Some costs associated with selling a product are shared by all owners including royalty owners. Working interest owners share all those same costs plus the cost of exploration, drilling, completing, equipping and operating a well.

What should I do if I do not receive my revenue check?

One of the most common reasons is that your account has not reached our minimum pay amount of \$100. Occasionally, payments are held due to matters which create uncertainty as to ownership, such as a notice of death, change of address, transfer or property, assignment of interest or legal issues. Payments due are accumulated and released when the matter affecting the ownership has been resolved.

Why are royalty payment suspended?

For your safety, royalty payments are suspended because of title dispute, death of owner, transfer of ownership, unknown address, unexecuted division order, legal requirement, lien, missing Social Security Number or Taxpayer Identification Number.

Can a check 90 days or older be cashed?

No, contact Owner Relations who will reissue check.

What should I do if I have questions regarding my check detail?

Please contact the Owner Relations hotline at 346-229-2533 or australis@ownerrelationsupport.com.

IMPORTANT DOCUMENTS

- [Direct Deposit Enrollment Form](#)
- [Interest Owner Name Change Form](#)
- [Change of Address Form](#)
- [Form W-9](#)