Gulf Coast Ultra Deep Royalty Trust

2018

Federal Income Tax Information

GULF COAST ULTRA DEEP ROYALTY TRUST

FEDERAL INCOME TAX INFORMATION

This booklet provides 2018 tax information which will allow Trust Unit Holders to determine their pro rata share of deductions attributable to their investment in the Gulf Coast Ultra Deep Royalty Trust (the "Trust"). Each Trust Unit Holder is encouraged to read the entire booklet very carefully. The material herein is not intended and should not be construed as professional tax or legal advice. Each Trust Unit Holder should consult the Trust Unit Holder's own tax advisor regarding all tax compliance matters relating to the Units.

Instructions for Schedules A, B, C, and D of this Booklet

Schedule A

For Trust Unit Holders who file income tax returns on the basis of the calendar year and the cash method during 2018, the Trustee has prepared Schedule A as an **EXAMPLE** which summarizes the distributable items required to prepare 2018 tax returns as if the Trust Unit Holder had held 100 Units during all of 2018.

Schedule B

Schedule B summarizes the distributable items on a one Unit basis. In accordance with the Trust Agreement, deductions for each quarter are deemed to be realized on the Quarterly Record Date for that quarter and are allocated to the Trust Unit Holders of record on that date. Therefore, Schedule B is prepared on a quarterly basis. Each Trust Unit Holder using Schedule B should compute his tax information by using the relevant information for each quarter for which he was a Trust Unit Holder of record. Then the results of all appropriate quarters should be combined.

Schedule C

Schedule C should be used by all Unit Holders to compute depletion. Calendar year Unit Holders who acquired their Units as part of the Agreement and Plan of Merger between Freeport-McMoRan Inc. ("FCX") and McMoRan Exploration Co. ("MMR") and continue to own those Units should use Schedule C, Part I. Schedule C Part 1 should also be used for the same Unit Holders noted above to calculate deductions attributable to abandonment/worthlessness losses. Other Unit Holders who acquired their Units subsequent to the Agreement and Plan of Merger should use Schedule C, Part II to compute depletion.

Schedule D

Unit Holders who acquired their units subsequent to the Agreement and Plan of Merger should use Schedule D on page 9 of this booklet to compute their abandonment/worthlessness loss. Schedule D summarizes deductions attributable to each Unit Holder loss associated with the abandonment or worthlessness of the royalty interest in properties that, based on facts and circumstances, have been abandoned or became worthless for tax purposes. Each Unit Holder using Schedule D should compute the deduction based on when their Units were acquired.

I. FEDERAL INCOME TAX INFORMATION

1. Reporting of Income and Deductions.

(a) *Direct Ownership Reporting.* Tax counsel to the special committee of the board of directors of McMoran Exploration Co. advised the Trust at the time of formation that, for U.S. federal income tax purposes, in its opinion, the Trust will be treated as a grantor trust and not as an unincorporated business entity. No ruling has been or will be requested from the IRS or another taxing authority. The remainder of the discussion below is based on tax counsel's opinion. As a grantor trust, the Trust will not be subject to tax at the Trust level. Rather, the Trust Unit Holders will be considered to own and receive the Trust's assets and income and will be directly taxable thereon as though no trust were in existence. Under Treasury Regulations, the Trust is classified as a widely-held fixed investment trust. Those Treasury Regulations require the sharing of tax information among trustees and intermediaries that hold a trust interest on behalf of or for the account of a beneficial owner or any representative or agent of a trust interest holder of fixed investment trusts that are classified as widely-held fixed investment trusts. These reporting requirements provide for the dissemination of trust tax information by the trustee to intermediaries who are ultimately responsible for reporting the investor-specific information through Form 1099 to the investors and the IRS. Every trustee or intermediary that is required to file a Form 1099 for a Trust Unit Holder must furnish a written tax information statement that is in support of the amounts as reported on the applicable Form 1099 to the Trust Unit Holder. Any generic tax information provided by the Trustee of the Trust is intended to be used only to assist Trust Unit Holders in the preparation of their U.S. federal and state income tax returns.

(b) *Taxable Year*. Schedules B, C, and D are prepared by calendar quarter on a per Unit basis to permit Trust Unit Holders with taxable years other than a calendar year to obtain their tax information by computing the relevant information for each quarter during their taxable year and then combining the results of each quarter. In accordance with the Trust Agreement, deductions for each quarter are allocated to the Trust Unit Holders of record on the Quarterly Record Date. The taxable year of the Trust is irrelevant.

(c) *Unit Multiplication.* Because Schedules B, C, and D show only results per Unit, it will be necessary to multiply the results shown by the number of Units owned by the Trust Unit Holder during the applicable period to obtain the amount to be reported on his tax return. Deductions per Unit may be taken directly from the appropriate schedules.

(d) *Individual Taxpayer.* For Trust Unit Holders who held Units as an investment during 2018 and who file Form 1040, it is suggested that the items of income and deduction for 2018 be reported in the following manner:

Item	Form 1040
Royalties Received	Line 4, Part I, Schedule E
Interest Expense	Line 13, Part I, Schedule E
Depletion	Line 18, Part I, Schedule E
Administration Expense	Line 19, Part I, Schedule E
Abandonment or Worthlessness Loss	Line 19, Part I, Schedule E
Interest Income	Line 1, Part I, Schedule B

Form 1040	Form 8960
Schedule E Items (Royalties less deductions)	Line 4a, Part I
Schedule D Items (Capital Gain/Loss)	Line 5a, Part I

Royalty income is generally considered portfolio income under the passive loss rules enacted by the Tax Reform Act of 1986. Since all income from the Trust is royalty income, this amount, net of depletion, is portfolio income and, subject to certain exceptions and transitional rules, this royalty income cannot be offset by losses from passive businesses.

An individual having adjusted gross income in excess of $200,000 (or $250,000 for married taxpayers filing joint returns) is subject to the Net Investment Income Tax of 3.8% on the lesser of such excess or the individual's net investment income. Net investment income generally includes royalty income derived from the Units less deductions allocable to the royalty income (including depletion, interest expense, and administration expense and abandonment/worthlessness deductions). Also, any net gain from the disposition of Units is included in Net Investment Income for this purpose. The Net Investment Income Tax should be computed on Form 8960 for an individual.

See Exhibits I through III for examples of how to report the items listed above.

(e) *Widely Held Fixed Investment Trust Information.* The Trustee assumes that some Units are held by a middleman; as such term is broadly defined in U.S. Treasury Regulations (and includes custodians, nominees, certain joint owners, and brokers holding an interest for a custodian in street name). Therefore, the Trustee considers the Trust to be a non-mortgage widely held fixed investment trust ("WHFIT") for U.S. federal income tax purposes. The Bank of New York Mellon Trust Company, N.A. ("Trustee"), 601 Travis Street, 16th Floor, Houston, Texas 77002, telephone number 1-512-236-6599, is the representative of the Trust that will provide tax information in accordance with applicable U.S. Treasury Regulations governing the information reporting requirements of the Trust as a WHFIT. Notwithstanding the foregoing, the middlemen holding Units on behalf of Trust Unit Holders, and not the Trustee of the Trust, are solely responsible for complying with the information reporting requirements under the U.S. Treasury Regulations with respect to such Units, including the issuance of IRS Forms 1099 and certain written tax statements. Trust Unit Holders whose Units are held by middlemen should consult with such middlemen regarding the information that will be reported to them by the middlemen with respect to the Units.

2. Computation of Depletion. The Unit holder should ordinarily compute both percentage depletion and cost depletion from each property and claim the larger amount as a deduction on his income tax return. The Trustee and its independent accountants have estimated that percentage depletion for January through December 2018, will not exceed cost depletion. As a result, unit holders will not need to compute percentage depletion for 2018.

(a) *Cost Depletion.* Each Unit Holder is entitled to compute cost depletion with respect to his share of royalty income received through the Trust based on his basis in the overriding royalty interest in certain productive oil and gas properties. Unit Holders who acquired their Units as part of the Agreement and Plan of Merger between FCX and MMR and continued to hold those Units through the 4th Quarter 2018 Record Date should compute cost depletion using the amount shown on Schedule C, Part I (on a per Unit basis).

All other Unit Holders must compute cost depletion by multiplying their Royalty basis by the depletion percentages listed on Schedule C, Part II, for each quarter for which they were a Unit Holder of record, and then combining the results for each quarter of 2018 that they held the units. Unit Holders who acquired Units after the Agreement and Plan of Merger, will have a Royalty basis equal to the purchase price of those Units. Unit Holders using Schedule C, Part II should compute depletion based on when the units were acquired.

3. Sale of Units. The sale, exchange or other disposition of a Unit is treated for federal income tax purposes as the sale of an interest in the underlying property of the Trust. Gain or loss is computed under the usual tax principles as the difference between selling price and adjusted tax basis of a Unit. The adjusted tax basis of a Unit is the original cost or other basis of the Unit reduced by any depletion allowed or allowable and the abandonment/worthlessness deductions allowed. The amount of gain, if any, realized upon the disposition of oil and gas property is treated as ordinary income to the extent of depletion claimed with respect to that property to the extent it reduced the Unit Holder's basis in the Units. The balance of any gain or any loss may be capital gain or loss depending on whether that Unit was held by the Trust Unit Holder as a capital asset, and either long-term or short-term depending on the holding period of the Unit. Capital gain or loss will be long-term if a Unit Holder's holding period for those Units exceeded one year as of the date of sale or exchange. A preferential rate of tax applies to long-term capital gains recognized by individuals, estates and trusts. Capital gain or loss would be reported on Form 1040, Schedule D. Individuals, estates and trusts may also be subject to an additional 3.8% tax on any gain recognized as a result of selling, exchanging or otherwise disposing of a Unit.

4. Abandonment or Worthlessness Loss Deduction. Each Unit Holder is entitled to compute abandonment or worthlessness loss with respect to his share of the Trust based on his basis in the overriding royalty interest in certain oil and gas properties (the "Royalty"). Unit Holders who acquired their Units as part of the Agreement and Plan of Merger between FCX and MMR and continued to hold those Units through the 4th Quarter 2018 Record Date should compute the abandonment loss deduction by using the amount shown on Schedule C, Part I (on a per Unit basis).

All other Unit Holders must compute the abandonment loss deduction by multiplying their Royalty basis by the abandonment percentages listed on Schedule D, Part I, for each quarter for which they were a Unit Holder of record, and then combining the results for each quarter of 2018 that they held the units. Unit Holders who acquired Units after the Agreement and Plan of Merger, will have a Royalty basis equal to the purchase price of those Units.

5. Reconciliation of Net Income and Cash Distributions - Reserve Account. The difference between the per Unit net income for a period and the per Unit cash distributions paid for that period is attributable to adjustments in the Reserve Account. The Reserve Account is increased by expenditures which are not deductible and by increases in the cash reserve established by the Trustees for the payment of future expenditures. The Reserve Account is decreased by the recoupment of capital items and by reductions in previously established cash reserves.

6. Foreign Persons. The federal income taxation of non-resident aliens and foreign corporations is highly complex, and it is recommended that these persons consult their own tax advisors.

II. STATE INCOME TAX INFORMATION

Trust Unit Holders may have state filing requirements as a result of their ownership of Units. The Trust owns overriding royalty prospects in Louisiana and the Gulf of Mexico. If needed, the apportionment data required to comply with state tax filings is below. Trust Unit Holders should consult their tax advisors concerning state tax compliance matters relating to their ownership of Units.

Royalty Income & Cost Depletion Sourced by State:

Louisiana - 100.00%
Other - 0.00%

Administrative expense and interest expense Sourced by State:

Louisiana - 100.00%
Other - 0.00%

Abandonment/Worthlessness Loss Deductions Sourced by State:

For Units acquired between	Louisiana	Other
June 3, 2013 to March 31, 2014	100.0000%	0.0000%
April 1, 2014 to December 31, 2014	100.0000%	0.0000%
January 1, 2015 to June 30, 2015	100.0000%	0.0000%
July 1, 2015 to September 30, 2015	100.0000%	0.0000%
October 1, 2015 to December 31, 2015	100.0000%	0.0000%
January 1, 2016 to December 31, 2016	100.0000%	0.0000%
January 1, 2017 to December 31, 2017	100.0000%	0.0000%
January 1, 2018 to December 31, 2018	100.0000%	0.0000%

The Bank of New York Mellon Trust Company, N.A.
Trustee
601 Travis Street, 16th Floor
Houston, Texas 77002
(512) 236-6599

GULF COAST ULTRA DEEP ROYALTY TRUST

EIN 46-6448579

TAX INFORMATION FOR THE YEAR 2018

230,172,696 Units Outstanding

Schedule A: 100 Unit Holder Calculations

For Trust Unit Holders Who File Returns On The Calendar Year Basis And The Cash Method

EXAMPLE

The calculations below are based on 100 Units held each record date.
(See Schedule B for factors used in the calculations).

Date	Units Held	Trust Royalty Income	Trust Interest Income	Trust Interest Expense	Trust Administration Expense
March 31, 2018	100	$0.178905	$0.000502	$0.000000	$0.065568
June 30, 2018	100	$0.154180	$0.000568	$0.000000	$0.098901
September 30, 2018	100	$0.188305	$0.000675	$0.000000	$0.105319
December 31, 2018	100	$0.192803	$0.000823	$0.000000	$0.082832
Totals		$0.714193	$0.002568	$0.000000	$0.352620
		Line 4, Part I, Schedule E	**Line 1, Part I, Schedule B**	**Line 13, Part I, Schedule E**	**Line 19, Part I, Schedule E**

Reconciliation Of Income And Cash Distribution

INCOME:	
Partnership Income (Royalties)	$0.71
Trust Interest Income	0.00
Less: Trust Interest Expense	(0.00)
Less: Trust Administration Expense	(0.35)
DECREASE (INCREASE) IN RESERVE*	(0.02)
TOTAL (Equals Cash Distribution)**	$0.34

* Increase or decrease in the reserve account is shown for information purposes only.

GULF COAST ULTRA DEEP ROYALTY TRUST

EIN 46-6448579

TAX INFORMATION FOR THE YEAR 2018

230,172,696 Units Outstanding

Schedule B: One Unit Factors

For Trust Unit Holders Who File Returns On The Calendar Year Basis And The Cash Method

EXAMPLE

Multiply amounts per Unit shown below by the number of Units owned on each record date. Combine the results and report where indicated on Form 1040. (See examples on page 10 through 12.)

Date	Partnership Income (Royalties)	Trust Interest Income	Trust Interest Expense	Trust Administration Expense
March 31, 2018	$0.001789	$0.000005	$0.000000	$0.000656
June 30, 2018	$0.001542	$0.000006	$0.000000	$0.000989
September 30, 2018	$0.001883	$0.000007	$0.000000	$0.001053
December 31, 2018	$0.001928	$0.000008	$0.000000	$0.000828
Totals if held the entire year	$0.007142	$0.000026	$0.000000	$0.003526
	Line 4, Part I, Schedule E	**Line 1, Part I, Schedule B**	**Line 13, Part I, Schedule E**	**Line 19, Part I, Schedule E**

Reconciliation Of Income And Cash Distribution

INCOME:	
Trust Royalty Income	$0.007142
Trust Interest Income	0.000026
Less: Trust Interest Expense	0.000000
Less: Trust Administration Expense	(0.003526)
DECREASE (INCREASE) IN RESERVE*	(0.000207)
TOTAL (Equals Cash Distribution)**	$0.003434

* Increase or decrease in the reserve account is shown for information purposes only.

GULF COAST ULTRA DEEP ROYALTY TRUST

EIN 46-6448579

TAX INFORMATION FOR THE YEAR 2018

230,172,696 Units Outstanding

Schedule C: Depletion and Abandonment/Worthlessness Loss Deduction Per Unit

See page 3 for instructions on the computation of depletion.

PART I

Depletion: $ 0.008544 per Unit   Line 18, Part I, Schedule E

Abandonment Loss: $ 0.004729 per Unit   Line 19, Part I, Schedule E

TAX BASIS PER UNIT

Gulf Coast Ultra Deep Royalty Trust unit 6-3-13	$2.047700
Depletion Year 2013	0.000000
Royalty Basis 1-1-14	$ 2.047700
Depletion Year 2014	0.000000
Royalty Basis 1-1-15	$ 2.047700
Depletion Year 2015	(0.005668)
Abandonment or Worthlessness Loss Year 2015	(1.430761)
Royalty Basis 1-1-16	$ 0.611271
Depletion Year 2016	(0.016765)
Abandonment or Worthlessness Loss Year 2016	(0.390997)
Royalty Basis 1-1-17	$ 0.203510
Depletion Year 2017	(0.009838)
Abandonment or Worthlessness Loss Year 2017	(0.079736)
Royalty Basis 1-1-18	$ 0.113936
Depletion Year 2018	(0.008544)
Abandonment or Worthlessness Loss Year 2018	(0.004729)
Royalty Basis 1-1-19	$ 0.100663

GULF COAST ULTRA DEEP ROYALTY TRUST

EIN 46-6448579

TAX INFORMATION FOR THE YEAR 2018

230,172,696 Units Outstanding

Schedule C: Depletion

See page 3 for instructions on the computation of depletion.

PART II

Cost Depletion for Calendar Year individuals who acquired their Units subsequent to the initial conversion of MMR common stock for $14.75 and 1.15 royalty units of the Trust per MMR share on June 3, 2013.

For Units acquired between	Mar. 31, 2018	Jun. 30, 2018	Sept. 30, 2018	Dec. 31, 2018	Total Depletion As A Percent of Royalty Basis if you held the units the entire year
June 3, 2013 to March 31, 2014	1.7359%	1.7740%	2.0445%	1.9441%	7.4986%
April 1, 2014 to December 31, 2014	5.6054%	5.7283%	6.6019%	6.2776%	24.2132%
January 1, 2015 to June 30, 2015	5.6054%	5.7283%	6.6019%	6.2776%	24.2132%
July 1, 2015 to September 30, 2015	6.5065%	6.6492%	7.6632%	7.2868%	28.1057%
October 1, 2015 to December 31, 2015	6.5065%	6.6492%	7.6632%	7.2868%	28.1057%
January 1, 2016 to December 31, 2016	6.5065%	6.6492%	7.6632%	7.2868%	28.1057%
January 1, 2017 to December 31, 2017	6.5065%	6.6492%	7.6632%	7.2868%	28.1057%
January 1, 2018 to December 31, 2018	6.5065%	6.6492%	7.6632%	7.2868%	28.1057%

GULF COAST ULTRA DEEP ROYALTY TRUST

EIN 46-6448579

TAX INFORMATION FOR THE YEAR 2018

230,172,696 Units Outstanding

Schedule D: Abandonment or Worthlessness Loss Deduction

See page 3 for instructions on the computation of the abandonment or worthlessness loss deduction

PART I

The abandonment or worthlessness loss deduction for Calendar Year individuals who acquired their Units subsequent to the initial conversion of MMR common stock for $14.75 and 1.15 royalty units of the Trust per MMR share on June 3, 2013.

For Units acquired between	Mar. 31, 2018	Jun. 30, 2018	Sept. 30, 2018	Dec. 31, 2018	Total Abandonment/ Worthlessness Loss as % of Royalty Basis if you held units the entire year
June 3, 2013 to March 31, 2014	0.0000%	3.0028%	0.6379%	0.5103%	4.1510%
April 1, 2014 to December 31, 2014	0.0000%	9.6961%	2.0596%	1.6479%	13.4037%
January 1, 2015 to June 30, 2015	0.0000%	9.6961%	2.0596%	1.6479%	13.4037%
July 1, 2015 to September 30, 2015	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
October 1, 2015 to December 31, 2015	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
January 1, 2016 to December 31, 2016	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
January 1, 2017 to December 31, 2017	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
January 1, 2018 to December 31, 2018	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

GULF COAST ULTRA DEEP ROYALTY TRUST

EIN 46-6448579

Exhibit I

Individual Trust Unit Holder's Specific Location of Allowable Deductions on Schedule E

SCHEDULE E (Form 1040)
Department of the Treasury Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)
▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ Go to *www.irs.gov/ScheduleE* for instructions and the latest information.

OMB No. 1545-0074
2018
Attachment Sequence No. **13**

Name(s) shown on return | **Your social security number**

Part I **Income or Loss From Rental Real Estate and Royalties** **Note:** If you are in the business of renting personal property, use **Schedule C** or **C-EZ** (see instructions). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

A Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) . . . . . . ☐ **Yes** ☐ **No**

B If "Yes," did you or will you file required Forms 1099? . . . . . . ☐ **Yes** ☐ **No**

1a	Physical address of each property (street, city, state, ZIP code)
A	
B	
C	

1b	Type of Property (from list below)	**2** For each rental real estate property listed above, report the number of fair rental and personal use days. Check the **QJV** box only if you meet the requirements to file as a qualified joint venture. See instructions.		**Fair Rental Days**	**Personal Use Days**	**QJV**
A			**A**			☐
B			**B**			☐
C			**C**			☐

Type of Property:
1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	**Properties:**		**A**	**B**	**C**
3	Rents received	**3**			
4	Royalties received	**4**			
Expenses:					
5	Advertising	**5**			
6	Auto and travel (see instructions)	**6**			
7	Cleaning and maintenance	**7**			
8	Commissions.	**8**			
9	Insurance	**9**			
10	Legal and other professional fees	**10**			
11	Management fees	**11**			
12	Mortgage interest paid to banks, etc. (see instructions)	**12**			
13	Other interest.	**13**			
14	Repairs.	**14**			
15	Supplies	**15**			
16	Taxes	**16**			
17	Utilities	**17**			
18	Depreciation expense or depletion	**18**			
19	Other (list) ▶	**19**			
20	Total expenses. Add lines 5 through 19	**20**			
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file **Form 6198**	**21**			
22	Deductible rental real estate loss after limitation, if any, on **Form 8582** (see instructions)	**22**	( )	( )	( )

23a	Total of all amounts reported on line 3 for all rental properties	**23a**	
b	Total of all amounts reported on line 4 for all royalty properties	**23b**	
c	Total of all amounts reported on line 12 for all properties	**23c**	
d	Total of all amounts reported on line 18 for all properties	**23d**	
e	Total of all amounts reported on line 20 for all properties	**23e**	
24	**Income.** Add positive amounts shown on line 21. **Do not** include any losses	**24**	
25	**Losses.** Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here .	**25**	( )
26	**Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	**26**	

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11344L **Schedule E (Form 1040) 2018**

Royalty Income

Interest Expense

Depletion

Administration Expense & Abandonment Loss

GULF COAST ULTRA DEEP ROYALTY TRUST
EIN 46-6448579

<u>Exhibit II</u>

Individual Trust Unit Holder's Specific Location of Interest Income on Schedule B

Interest Income →

SCHEDULE B (Form 1040)
Department of the Treasury Internal Revenue Service (99)

Interest and Ordinary Dividends

▶ Go to *www.irs.gov/ScheduleB* for instructions and the latest information.
▶ Attach to Form 1040.

OMB No. 1545-0074
2018
Attachment Sequence No. 08

Name(s) shown on return | Your social security number

Part I — Interest

(See instructions and the instructions for Form 1040, line 2b.)

Note: If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

			Amount
1	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ▶	1	
2	Add the amounts on line 1	2	
3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815	3	
4	Subtract line 3 from line 2. Enter the result here and on Form 1040, line 2b ▶	4	

Note: If line 4 is over $1,500, you must complete Part III.

Part II — Ordinary Dividends

(See instructions and the instructions for Form 1040, line 3b.)

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

			Amount
5	List name of payer ▶	5	
6	Add the amounts on line 5. Enter the total here and on Form 1040, line 3b ▶	6	

Note: If line 6 is over $1,500, you must complete Part III.

Part III — Foreign Accounts and Trusts

(See instructions.)

You must complete this part if you **(a)** had over $1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

		Yes	No
7a	At any time during 2018, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions		
	If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements		
b	If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ▶		
8	During 2018, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions		

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 17146N **Schedule B (Form 1040) 2018**

GULF COAST ULTRA DEEP ROYALTY TRUST

EIN 46-6448579

Exhibit III

Individual Trust Unit Holder's Specific Location of Investment Income Items on Form 8960

Form **8960**

Department of the Treasury
Internal Revenue Service (99)

Net Investment Income Tax— Individuals, Estates, and Trusts

▶ Attach to your tax return.

▶ Go to *www.irs.gov/Form8960* for instructions and the latest information.

OMB No. 1545-2227

2018

Attachment Sequence No. **72**

Name(s) shown on your tax return | Your social security number or EIN

Part I Investment Income

☐ Section 6013(g) election (see instructions)

☐ Section 6013(h) election (see instructions)

☐ Regulations section 1.1411-10(g) election (see instructions)

Schedule E Items Including Royalty Income less deductions (see line 21 of Schedule E) → line 4a

Schedule D Items Including Capital Gain/Loss → line 5a

1	Taxable interest (see instructions)		1
2	Ordinary dividends (see instructions)		2
3	Annuities (see instructions)		3
4a	Rental real estate, royalties, partnerships, S corporations, trusts, etc. (see instructions)	4a	
b	Adjustment for net income or loss derived in the ordinary course of a non-section 1411 trade or business (see instructions)	4b	
c	Combine lines 4a and 4b		4c
5a	Net gain or loss from disposition of property (see instructions)	5a	
b	Net gain or loss from disposition of property that is not subject to net investment income tax (see instructions)	5b	
c	Adjustment from disposition of partnership interest or S corporation stock (see instructions)	5c	
d	Combine lines 5a through 5c		5d
6	Adjustments to investment income for certain CFCs and PFICs (see instructions)		6
7	Other modifications to investment income (see instructions)		7
8	Total investment income. Combine lines 1, 2, 3, 4c, 5d, 6, and 7		8
Part II	**Investment Expenses Allocable to Investment Income and Modifications**		
9a	Investment interest expenses (see instructions)	9a	
b	State, local, and foreign income tax (see instructions)	9b	
c	Miscellaneous investment expenses (see instructions)	9c	
d	Add lines 9a, 9b, and 9c		9d
10	Additional modifications (see instructions)		10
11	Total deductions and modifications. Add lines 9d and 10		11
Part III	**Tax Computation**		
12	Net investment income. Subtract Part II, line 11, from Part I, line 8. Individuals, complete lines 13–17. Estates and trusts, complete lines 18a–21. If zero or less, enter -0-		12
	Individuals:		
13	Modified adjusted gross income (see instructions)	13	
14	Threshold based on filing status (see instructions)	14	
15	Subtract line 14 from line 13. If zero or less, enter -0-	15	
16	Enter the smaller of line 12 or line 15		16
17	Net investment income tax for individuals. Multiply line 16 by 3.8% (0.038). **Enter here and include on your tax return** (see instructions)		17
	Estates and Trusts:		
18a	Net investment income (line 12 above)	18a	
b	Deductions for distributions of net investment income and deductions under section 642(c) (see instructions)	18b	
c	Undistributed net investment income. Subtract line 18b from 18a (see instructions). If zero or less, enter -0-	18c	
19a	Adjusted gross income (see instructions)	19a	
b	Highest tax bracket for estates and trusts for the year (see instructions)	19b	
c	Subtract line 19b from line 19a. If zero or less, enter -0-	19c	
20	Enter the smaller of line 18c or line 19c		20
21	Net investment income tax for estates and trusts. Multiply line 20 by 3.8% (0.038). **Enter here and include on your tax return** (see instructions)		21

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