

## Meter Reader

*A Weekly Analysis of Energy Stocks Using the McDep Ratio*

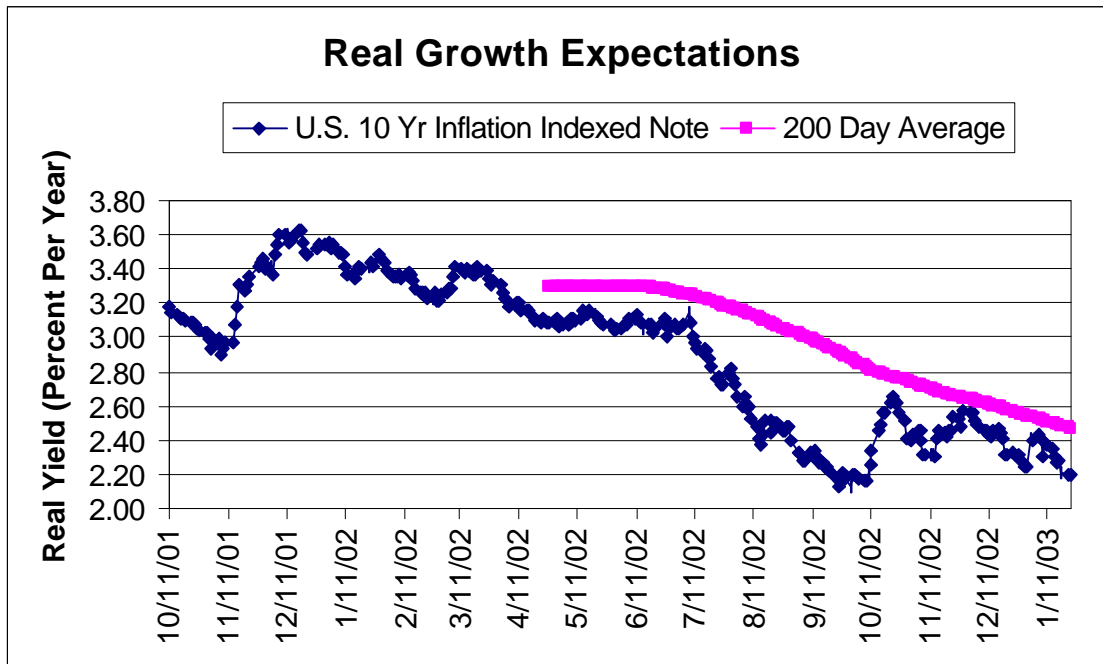
January 23, 2003

# The Big Questions

## Summary and Recommendation

Among the three fundamental investment trends, real growth expectations, inflation protection and deflation resistance, two continue in a downtrend while inflation may have turned up. Energy stocks can deliver real growth advantageously if they can produce a return on investment that exceeds the real growth expectations of U.S. Treasury Inflation Protected Securities (TIPS). Low McDep Ratio stocks offer that. Energy stocks also promise inflation protection, particularly those concentrated on energy production. Stocks with low ratios of debt offer deflation resistance as high debt entities increasingly fail with deflation. We are puzzled as to why the major oil stocks are not performing better. Though the refining/marketing exposure of the integrated companies is not particularly robust currently, the one-year futures that define refining margin are trending upward.

## Real Growth Expectations Continue Down



As trends go, the real yield on the Ten-Year TIPS seems to be pointing to lower levels (see Chart). That may imply that investors are increasingly seeing less real growth opportunities in the stock market such that a guaranteed real yield looks more attractive.

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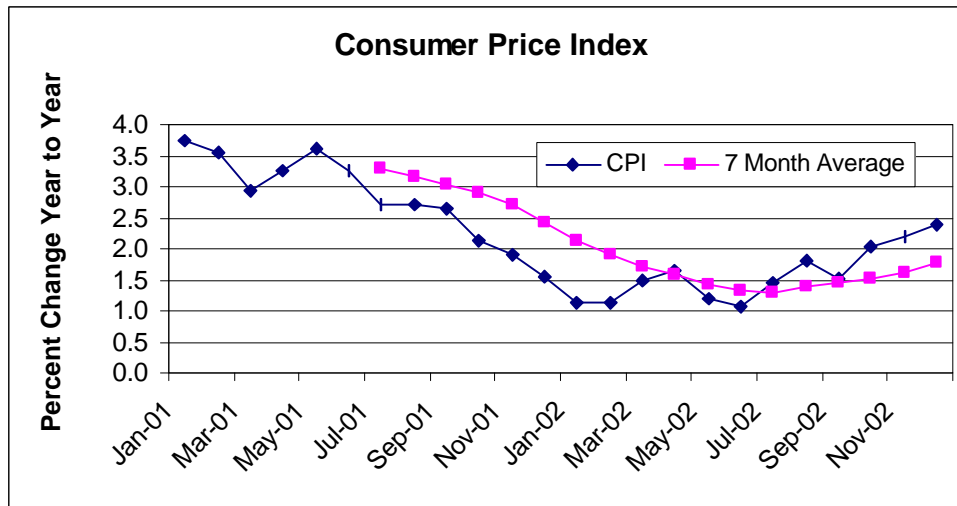
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If energy prices keep up with inflation, energy stocks can deliver an attractive real yield. Energy prices lagged inflation for two decades, beat inflation for a decade and then lagged again for two decades in the second half of the last century. We may now be in a decade where energy prices may beat inflation again.

### **Inflation May Have Turned Up**

We have been calling attention to the change in inflation expectation in the New Year. Our preferred measurement is the difference in yields between the U.S. Ten-Year Note and the Ten-Year TIPS. Historically we could rely only on the Consumer Price Index, the current measure of inflation. Recently that traditional, short-term indicator has also turned up. We plot the year-to-year increase in monthly data from the Bureau of Labor Statistics without the seasonal adjustment factors, which are not necessary if we compare the same month of each year. It looks like CPI increases turned up in the middle of last year after a long trend down (see Chart).



### **Deflation Resistance Still Declining**

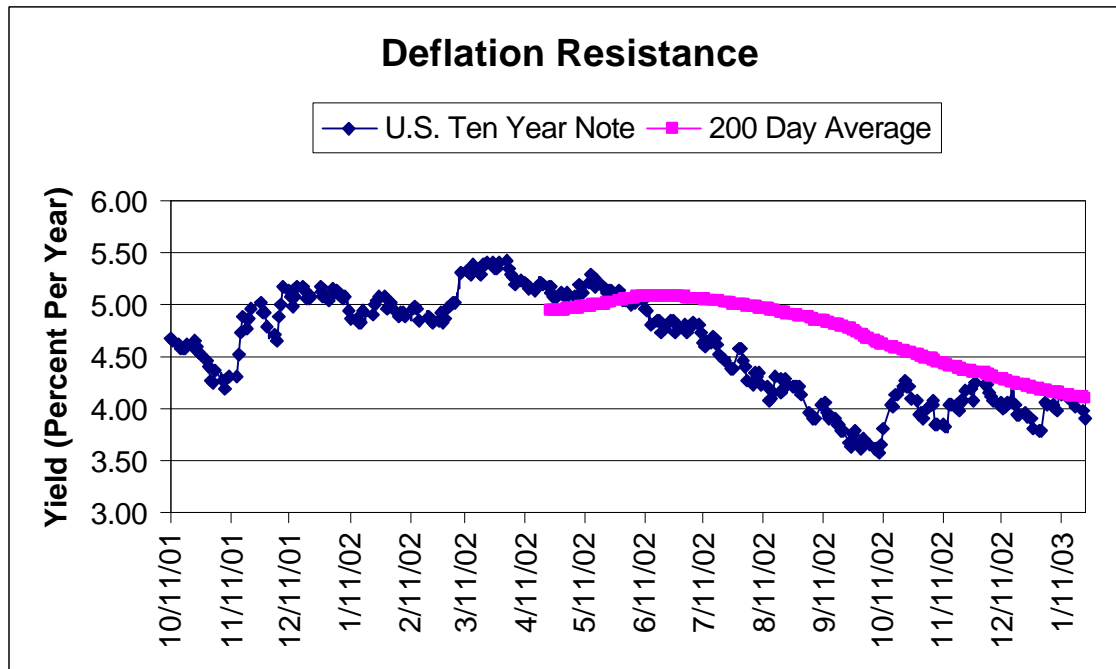
It seems few market pundits think the interest rate on the Ten-Year Note will decline further. A turn cannot yet be confirmed (see Chart). We don't pretend to forecast that rate, but we might have expected it to be higher by now. We interpret the most widely watched long-term interest rate as an indicator of deflation expectations. It seems confusing to us to say that deflation expectations are up when the interest rate is down. We call it deflation resistance so that if the trend is up we can say deflation resistance is up and vice versa.

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### Why Aren't the Major Oil Stocks Doing Better?

We are gratified to see natural gas investments performing and we believe that major oil stocks should do better in the likely environment for the next several years. The stocks offer a competitive real return at a McDep Ratio of 1.0. Lower actual McDep Ratios imply an especially attractive real return. Stated another way, four percent dividend yields beat TIPS, the dividends are likely to increase with inflation and there should also be stock price appreciation.

Two thirds of the business of the major oils offers inflation protection as energy resource values are the real assets that tend to hold their inflation adjusted value and may even increase more than inflation in the next cyclical phase.

As for deflation resistance, the mega cap energy stocks have hardly any debt. In fact they represent among the strongest entities financially in the world economy.

The downstream business may be the chief differentiating factor between the better performing oil and gas stocks and the weaker performers. Refining/marketing has more economic sensitivity than production normally and there can be lags in recovering higher crude oil price in refined products at the end consumer level. That appears to be contributing to a lag in stock price gain as well.

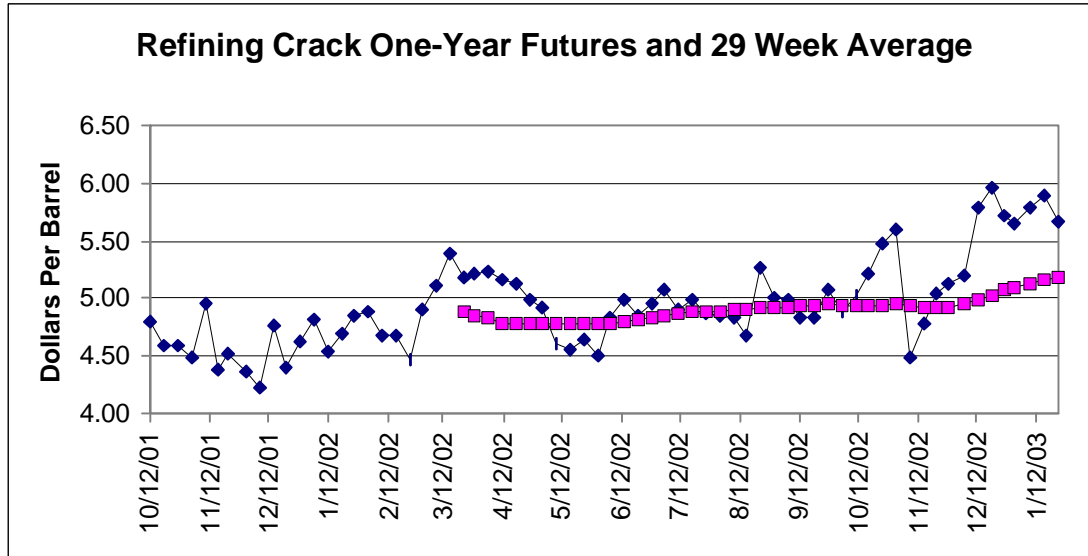
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Our main measure of downstream expectations, the one-year crack futures, appears to be acting all right, if not ebullient. Recent quotes above the moving average define a positive trend (see Chart).



Finally there is the possibility of some dramatic development as a result of potential war in Iraq. We believe our recommended energy stocks are well positioned for a range of likely combinations of real growth, inflation and deflation.

Kurt H. Wulff, CFA

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**Table L-1**  
**Mega Cap and Large Cap Energy Companies**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

	Symbol/ Rating	Price (\$/sh) 22-Jan 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
<b>Mega Cap</b>							
Exxon Mobil Corporation	XOM	33.49	6,787	227,000	37.00	0.09	0.91
TotalFinaElf S.A.	TOT	65.76	1,336	87,800	90.00	0.15	0.77
BP plc	BP	37.07	3,735	138,000	52.00	0.14	0.75
Royal Dutch/Shell	RD B	41.21	3,481	143,000	60.00	0.15	0.73
ChevronTexaco Corporation	CVX B	65.70	1,062	69,800	101.00	0.17	0.71
	<i>Total or Median</i>			666,000		0.15	0.75
<b>Energy Infrastructure</b>							
Southern Company	SO	28.64	701	20,100	23.90	0.47	1.11
Duke Energy Corporation	DUK	17.13	822	14,100	15.00	0.73	1.04
American Electric Power Co. Inc.	AEP N	26.57	326	8,700	27.40	0.74	0.99
Enel S.p.a. (32%)	EN	28.01	388	10,900	32.70	0.39	0.91
Exelon Corporation	EXC N	52.22	323	16,900	70.80	0.45	0.86
Dominion Resources	D	53.00	269	14,300	76.20	0.45	0.83
El Paso Corporation	EP N	8.95	590	5,300	20.00	0.66	0.81
	<i>Total or Median</i>			70,000		0.56	0.88
<b>Natural Gas and Oil</b>							
Occidental Petroleum Corp.	OXY	28.43	380	10,800	35.00	0.36	0.88
Encana Corporation	ECA B	31.07	470	14,600	38.00	0.26	0.87
ENI S.p.A.	E	73.53	776	57,100	90.00	0.17	0.85
AOO Lukoil	LUKOY	57.15	299	17,100	70.00	0.08	0.83
Devon Energy	DVN	45.10	158	7,100	65.00	0.42	0.82
Unocal Corporation	UCL	28.45	245	7,000	40.00	0.37	0.82
Anadarko Petroleum Corp.	APC	45.38	258	11,700	60.00	0.25	0.82
Burlington Resources	BR B	42.71	202	8,600	60.00	0.27	0.79
ConocoPhillips	COP B	47.46	680	32,300	75.00	0.36	0.77
Marathon Oil Corporation	MRO B	20.94	310	6,500	40.00	0.37	0.70
Petroleo Brasileiro S. A.	PBR N	14.80	1,086	16,100	30.00	0.27	0.63
	<i>Total or Median</i>			178,000		0.27	0.82
<b>Service</b>							
Baker Hughes Inc.	BHI	30.30	339	10,300	25.00	0.09	1.20
Schlumberger Ltd.	SLB	38.06	581	22,100	44.00	0.22	0.89
Halliburton Company	HAL	18.35	434	8,000	22.00	0.25	0.88

Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

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January 23, 2003

**Table L-2**  
**Mega Cap and Large Cap Energy Companies**  
**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

	Symbol/ Rating	Price (\$/sh) 22-Jan 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
<b>Mega Cap</b>								
Exxon Mobil Corporation	XOM	33.49	1.2	8.1	16	2.7	8.9	
TotalFinaElf S.A.	TOT	65.76	1.1	6.8	13	3.9	8.8	
BP plc	BP	37.07	0.9	6.5	14	3.9	8.6	
Royal Dutch/Shell	RD	B	41.21	0.9	6.3	13	4.1	8.6
ChevronTexaco Corporation	CVX	B	65.70	0.9	5.8	12	4.3	8.2
	<i>Median</i>		<i>0.9</i>	<i>6.5</i>	<i>13</i>	<i>3.9</i>	<i>8.6</i>	
<b>Energy Infrastructure</b>								
Duke Energy Corporation	DUK		17.13	2.5	10.0	12	6.4	9.6
Southern Company	SO		28.64	3.4	10.0	17	4.7	9.0
American Electric Power Co. Inc.	AEP	N	26.57	0.6	8.9	9	9.0	9.0
Enel S.p.a. (32%)	EN		28.01	2.3	8.2	34	5.8	9.0
Exelon Corporation	EXC	N	52.22	2.3	7.7	12	3.4	9.0
Dominion Resources	D		53.00	3.1	7.5	11	4.9	9.0
El Paso Corporation	EP	N	8.95	2.3	6.2	5	9.7	7.7
	<i>Median</i>		<i>2.3</i>	<i>8.2</i>	<i>12</i>	<i>5.8</i>	<i>9.0</i>	
<b>Natural Gas and Oil</b>								
ConocoPhillips	COP	B	47.46	0.7	6.6	12	3.4	8.6
Encana Corporation	ECA	B	31.07	2.5	5.8	13	0.8	6.7
ENI S.p.A.	E		73.53	1.5	5.6	11	5.0	6.7
Burlington Resources	BR	B	42.71	3.9	5.6	13	1.3	7.1
Anadarko Petroleum Corp.	APC		45.38	3.8	5.4	10	0.9	6.7
Unocal Corporation	UCL		28.45	2.3	5.0	11	2.8	6.1
Occidental Petroleum Corp.	OXY		28.43	2.2	4.8	7	3.7	5.5
Devon Energy	DVN		45.10	2.9	4.8	8	0.4	5.8
Marathon Oil Corporation	MRO	B	20.94	0.4	4.6	7	4.4	6.6
OAo Lukoil	LUKOY		57.15	1.5	3.4	6	1.9	4.1
Petroleo Brasileiro S. A.	PBR	N	14.80	1.3	3.1	4	9.1	4.9
	<i>Median</i>		<i>2.2</i>	<i>5.0</i>	<i>10</i>	<i>2.8</i>	<i>6.6</i>	
<b>Service</b>								
Baker Hughes Inc.	BHI		30.30	2.1	12.9	36	1.5	10.8
Schlumberger Ltd.	SLB		38.06	2.1	8.0	28	2.0	8.9
Halliburton Company	HAL		18.35	0.9	7.9	16	2.7	9.0

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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**Table M-1**  
**Mid Cap Energy Companies**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 22-Jan 2003</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
<b>Energy Infrastructure</b>							
Kinder Morgan Energy Partners, L.P.	KMP S	36.75	141	5,200	14.00	0.47	1.86
Kinder Morgan Management, LLC	KMR S	33.95	40	1,300	14.00	0.47	1.75
Kinder Morgan, Inc.	KMI S	44.50	123	5,500	14.00	0.80	1.43
Constellation Energy Group	CEG	26.74	164	4,400	20.00	0.69	1.11
Calpine Corporation	CPN N	3.66	375	1,400	1.00	0.97	1.08
Dynegy Inc.	DYN	2.14	418	900	1.00	0.94	1.07
AES Corporation	AES	3.60	543	2,000	1.00	0.98	1.06
Williams Companies	WMB	3.17	521	1,700	1.00	0.97	1.06
Sempra Energy	SRE	24.40	207	5,100	24.30	0.64	1.00
CMS Energy Corporation	CMS	8.48	137	1,200	8.70	0.90	1.00
Valero Energy Corporation	VLO	35.62	115	4,100	40.00	0.60	0.96
Mirant Corporation	MIR	2.01	413	800	4.00	0.86	0.93
<i>Total or Median</i>				<i>33,600</i>		<i>0.83</i>	<i>1.06</i>
<b>Natural Gas and Oil</b>							
Petro-Canada	PCZ	33.06	262	8,700	31.00	0.11	1.06
Murphy Oil Corporation	MUR	41.28	92	3,800	41.00	0.24	1.01
Suncor Energy	SU	16.89	454	7,700	17.00	0.25	1.00
Ocean Energy, Inc.	OEI	18.93	178	3,400	20.00	0.30	0.96
XTO Energy Inc.	XTO B	24.65	125	3,100	26.00	0.25	0.96
Imperial Oil Limited (30%)	IMO	29.25	114	3,300	33.00	0.13	0.90
Norsk Hydro ASA (49%)	NHY	43.61	126	5,500	54.00	0.18	0.84
CNOOC Limited (19%)	CEO B	26.35	78	2,060	33.00	-	0.80
PetroChina Company Ltd (10%)	PTR B	20.20	176	3,600	30.00	0.17	0.73
<i>Total or Median</i>				<i>41,200</i>		<i>0.18</i>	<i>0.96</i>
<b>Coal Producers (Small Cap)</b>							
Penn Virginia Res. Part, L.P.	PVR	22.70	15	400	18.00	-	1.27
Consol Energy Inc.	CNX	16.17	79	1,300	5.00	0.88	1.26
Alliance Res. Part, L.P.	ARLP	24.66	16	400	20.00	0.45	1.12
Peabody Energy	BTU	26.80	55	1,500	18.00	0.75	1.12
Arch Coal	ACI	20.35	48	1,000	18.00	0.61	1.05
Fording Inc (US\$)	FDG	22.00	52	1,100	23.00	0.04	0.96
Massey Energy	MEE	9.75	75	700	18.00	0.37	0.71
				<i>6,400</i>		<i>0.45</i>	<i>1.12</i>

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**Table M-2**  
**Mid Cap Energy Companies**  
**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

			Price (\$/sh)	EV/ Sales	EV/ Ebitda	P/E	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
	Symbol/ Rating	22-Jan 2003	NTM	NTM	NTM	NTM		
<b>Energy Infrastructure</b>								
Kinder Morgan Energy Partners, L.P.	KMP S	36.75	3.3	16.1	19	6.8	8.7	
Kinder Morgan Management, LLC	KMR S	33.95	3.1	15.2	17	7.4	8.7	
Kinder Morgan, Inc.	KMI S	44.50	3.2	12.0	14	1.3	8.4	
Calpine Corporation	CPN N	3.66	1.9	11.0			10.2	
Constellation Energy Group	CEG	26.74	2.8	10.1	10	3.6	9.2	
Dynegey Inc.	DYN	2.14	0.2	9.6		-	9.0	
AES Corporation	AES	3.60	2.8	9.5			9.0	
Williams Companies	WMB	3.17	1.9	9.5		-	9.0	
Sempra Energy	SRE	24.40	2.5	9.0	9	4.1	9.0	
CMS Energy Corporation	CMS	8.48	1.3	9.0	5	8.5	9.0	
Mirant Corporation	MIR	2.01	0.4	8.3	1	-	9.0	
Valero Energy Corporation	VLO	35.62	0.4	7.5	9	1.1	7.8	
	<i>Median</i>		2.2	9.6	10	2.5	9.0	
<b>Natural Gas and Oil</b>								
Suncor Energy	SU	16.89	3.6	10.8	24	1.3	10.8	
Petro-Canada	PCZ	33.06	2.0	7.8	20	0.8	7.4	
Ocean Energy, Inc.	OEI	18.93	4.5	7.5	32	0.8	7.8	
Imperial Oil Limited (30%)	IMO	29.25	1.1	7.3	14	1.8	8.1	
Murphy Oil Corporation	MUR	41.28	1.1	6.7	19	1.9	6.7	
XTO Energy Inc.	XTO B	24.65	4.2	5.6	10	0.2	5.8	
CNOOC Limited (19%)	CEO B	26.35	3.5	4.6	9	2.4	5.7	
Norsk Hydro ASA (49%)	NHY	43.61	0.8	4.0	12	2.4	4.8	
PetroChina Company Ltd (10%)	PTR B	20.20	1.6	3.7	7	6.3	5.1	
	<i>Median</i>		2.0	6.7	14	1.8	6.7	
<b>Coal Producers (Small Cap)</b>								
Consol Energy Inc.	CNX	16.17	2.0	12.3	37	3.5	9.7	
Penn Virginia Res. Part, L.P.	PVR	22.70	8.4	10.9	12	8.8	8.6	
Peabody Energy	BTU	26.80	1.6	10.1	22	1.5	9.0	
Arch Coal	ACI	20.35	1.6	9.5	114	1.1	9.0	
Fording Inc (US\$)	FDG	22.00	2.0	8.6	20	1.7	9.0	
Alliance Res. Part, L.P.	ARLP	24.66	1.2	7.9	21	8.1	7.0	
Massey Energy	MEE	9.75	1.1	6.4	244	1.6	8.9	
			1.6	9.5	22	1.7	9.0	

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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**Table S-1**  
**Small Cap Energy Companies**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

	Symbol/ Rating		Price (\$/sh) 22-Jan 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
<b>Energy Infrastructure</b>								
El Paso Energy Partners	EPN	S	32.07	57.0	1,830	5.60	0.64	2.70
Enbridge Energy Partners, L.P.	EEP	S	42.35	35.0	1,480	14.90	0.64	1.67
Enterprise Products Part (16%)	EPD		18.62	28.5	530	6.70	0.63	1.65
Plains All Amer. Pipeline	PAA		25.16	50.0	1,260	11.60	0.49	1.60
Enbridge Energy Management, L.L.C	EEQ	S	37.70	9.0	340	14.90	0.64	1.56
Northern Border Partners	NBP		38.24	44.0	1,680	20.40	0.62	1.33
TEPCO Partners, L.P.	TPP		28.75	50.0	1,440	17.70	0.56	1.27
AmeriGas Partners, L.P.	APU		24.05	49.4	1,190	18.30	0.51	1.15
Western Gas Resources	WGR		34.12	33.8	1,150	37.60	0.28	0.93
<i>Total or Median</i>					<i>10,900</i>		<i>0.62</i>	<i>1.56</i>
<b>Natural Gas and Oil</b>								
Dorchester Hugoton, Ltd.	DHULZ		15.13	10.7	163	11.60	(0.17)	1.36
Provident Energy Trust	PVX		7.15	63.5	450	5.00	0.24	1.33
Enerplus Resources Fund	ERF		18.68	75.0	1,400	18.00	0.16	1.03
Pogo Producing Company	PPP		35.88	64.5	2,310	35.00	0.23	1.02
Pengrowth Energy Trust	PGH		9.71	110.0	1,070	9.50	0.19	1.02
Unit Corporation	UNT		17.70	40.0	710	18.00	0.03	0.98
Quicksilver Resources Inc.	KWK		21.25	20.4	430	22.00	0.38	0.98
Newfield Exploration Company	NFX		33.24	48.9	1,630	35.00	0.24	0.96
Encore Acquisition Corp. (25%)	EAC		19.10	7.0	134	21.00	0.20	0.93
Swift Energy Company	SFY		9.75	27.1	260	13.00	0.48	0.87
Stone Energy Company	SGY		33.92	26.5	900	42.00	0.28	0.86
Spinnaker Exploration Company	SKE		21.17	34.0	720	25.00	-	0.85
Southwestern Energy Company	SWN		11.78	26.1	310	17.00	0.46	0.83
Penn Virginia Corporation	PVA		35.67	9.0	320	45.00	0.06	0.80
Forest Oil Corporation	FST	N	24.74	48.1	1,190	35.00	0.32	0.80
Magnum Hunter Resources, Inc.	MHR		5.57	69.0	380	11.00	0.45	0.73
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	24.51	57.3	1,400	40.00	0.13	0.66
<i>Total or Median</i>					<i>13,800</i>		<i>0.23</i>	<i>0.93</i>
<b>Natural Gas Royalty Trusts</b>								
Cross Timbers Royalty Trust	CRT		20.80	6.0	125	21.20	-	0.98
San Juan Basin Royalty Trust	SJT	B	14.03	46.6	650	17.30	-	0.81
Hugoton RoyaltyTrust (46%)	HGT		13.01	18.4	240	16.80	-	0.77
<b>Micro Cap</b>								
Energy Partners Ltd.(30%)	EPL	B	11.06	8.3	91	10.00	0.38	1.06
Abraxas Petroleum Corporation	ABP		0.65	30.0	20	1.00	0.91	0.97
Purcell Energy, Ltd. (US\$)	PEL.TO	N	1.98	26.6	53	2.50	0.29	0.86

Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

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## Meter Reader

### A Weekly Analysis of Energy Stocks Using the McDep Ratio

January 23, 2003

**Table S-2**  
**Small Cap Energy Companies**  
**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

	Symbol/ Rating	Price (\$/sh) 22-Jan 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
<b>Energy Infrastructure</b>								
El Paso Energy Partners	EPN	S	32.07	9.0	24.3	80	8.4	9.0
Enbridge Energy Partners, L.P.	EEP	S	42.35	2.0	15.0	32	8.5	9.0
Enterprise Products Part (16%)	EPD		18.62	1.6	14.8	25	7.4	9.0
Plains All Amer. Pipeline	PAA		25.16	0.2	14.4	20	8.5	9.0
Enbridge Energy Management, L.L.C	EEQ	S	37.70	1.8	14.0	28	9.5	9.0
Northern Border Partners	NBP		38.24	6.8	11.9	14	8.4	9.0
TEPPCO Partners, L.P.	TPP		28.75	1.0	11.5	15	8.3	9.0
AmeriGas Partners, L.P.	APU		24.05	1.6	10.4	23	9.1	9.0
Western Gas Resources	WGR		34.12	0.7	8.4	19	0.6	9.0
	<i>Median</i>			<i>1.6</i>	<i>14.0</i>	<i>23</i>	<i>8.4</i>	<i>9.0</i>
<b>Natural Gas and Oil</b>								
Unit Corporation	UNT		17.70	3.5	9.6	30	-	9.8
Dorchester Hugoton, Ltd.	DHULZ		15.13	6.1	8.7	11	10.2	6.4
Quicksilver Resources Inc.	KWK		21.25	5.1	8.4	20	-	8.6
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	24.51	3.9	7.4	8	5.2	11.2
Enerplus Resources Fund	ERF		18.68	5.0	6.7	12	12.5	6.5
Swift Energy Company	SFY		9.75	4.0	6.4	37	-	7.4
Encore Acquisition Corp. (25%)	EAC		19.10	4.2	6.0	12	-	6.5
Forest Oil Corporation	FST	N	24.74	3.6	6.0	18	-	7.5
Pengrowth Energy Trust	PGH		9.71	3.8	6.0	15	15.6	5.9
Provident Energy Trust	PVX		7.15	4.0	5.9	15	20.1	4.5
Magnum Hunter Resources, Inc.	MHR		5.57	3.2	5.8	23	-	7.9
Pogo Producing Company	PPP		35.88	3.5	5.6	18	0.3	5.5
Southwestern Energy Company	SWN		11.78	2.6	5.2	8	-	6.3
Penn Virginia Corporation	PVA		35.67	2.5	4.8	14	2.5	6.0
Stone Energy Company	SGY		33.92	3.3	4.6	13	-	5.3
Newfield Exploration Company	NFX		33.24	3.0	4.2	14	-	4.4
Spinnaker Exploration Company	SKE		21.17	3.1	3.6	13	-	4.3
	<i>Median</i>			<i>3.6</i>	<i>6.0</i>	<i>14</i>	<i>-</i>	<i>6.4</i>
<b>Natural Gas Royalty Trusts</b>								
Cross Timbers Royalty Trust	CRT		20.80	6.1	8.4	9	11.2	8.5
San Juan Basin Royalty Trust	SJT	B	14.03	4.8	5.8	7	13.5	7.2
Hugoton RoyaltyTrust (46%)	HGT		13.01	4.3	5.8	8	13.2	7.5
<b>Micro Cap</b>								
Abraxas Petroleum Corporation	ABP		0.65	5.6	9.2		-	9.5
Purcell Energy, Ltd. (US\$)	PEL.TO	N	1.98	4.4	6.7	24	-	7.8
Energy Partners Ltd.(30%)	EPL	B	11.06	3.2	6.2		-	5.8

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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