

## Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

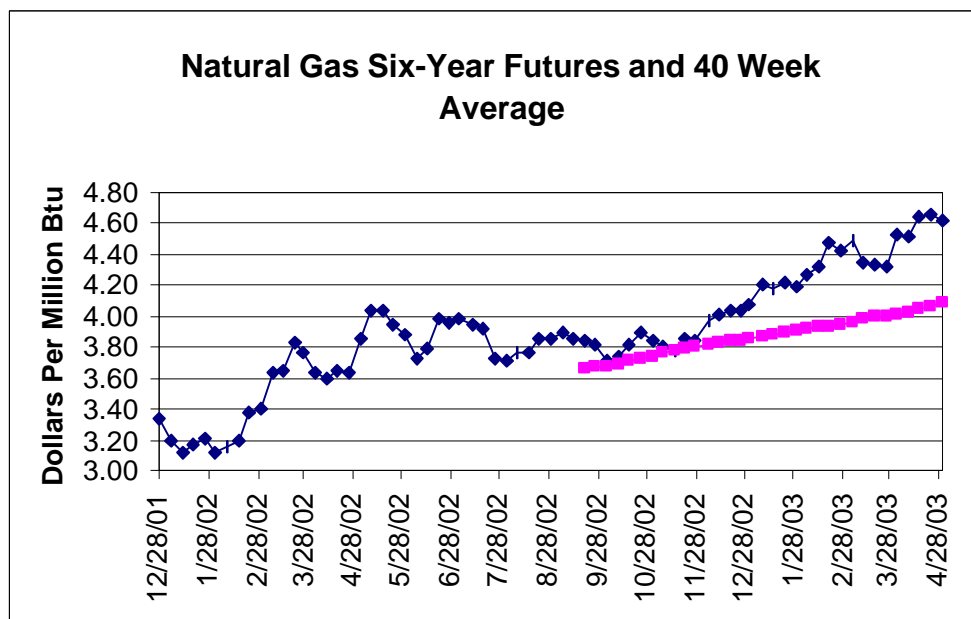
May 1, 2003

# Thank You, Mr. Buffett

## Summary and Recommendation

Disclosure that the world's most successful investor has taken a 9% position in the publicly held shares of recommended **PetroChina (PTR)** coincides with a recent stock price gain. Having a low McDep Ratio among our Energy Producer/Refiner recommendations, PTR is bringing clean natural gas to a rapidly growing economy that is becoming increasingly environmentally conscious. Though the stock had not appreciated much recently until Berkshire Hathaway's disclosure, it does pay a nice dividend that may be more than 7% over the next twelve months. Meanwhile, at least on a 200-day average basis, the stock market appears to have turned the corner into an upward trend. Perhaps that will help our producer/refiner recommendations that seem to have been more economically and stock market sensitive in the past year than we had expected. While the largest investors must use large stocks, other investors can concentrate more on independent natural gas and oil producers that should benefit from a favorable natural gas price outlook and an oil price outlook that also points to upside in our view. The over leveraged pipeline and power sector appears too speculative for meaningful public investment while the leading pipeline partnerships seem to be little more than Ponzi schemes as they distribute more than equity cash flow. Our specific recommendations are ranked among 97 stocks (see Tables 1-1, 1-2, 2-1, 2-2, 3-1, and 3-2).

## Six-Year Natural Gas Continues Upward Trend



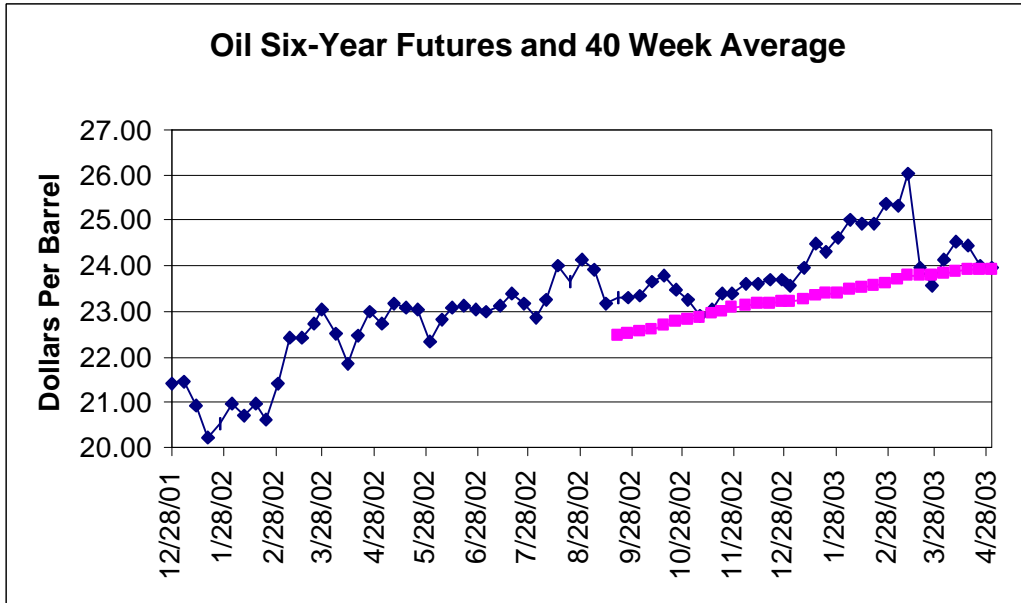
Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

# Meter Reader

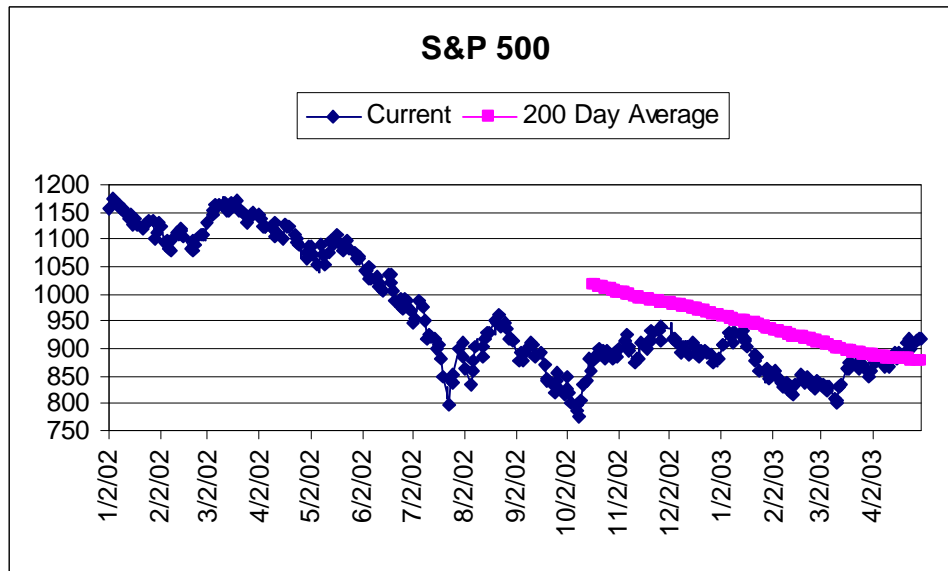
A Weekly Analysis of Energy Stocks Using the McDep Ratio

May 1, 2003

## Six-Year Crude Oil On 40 Week Average



## Stock Market Changes to Upward Trend



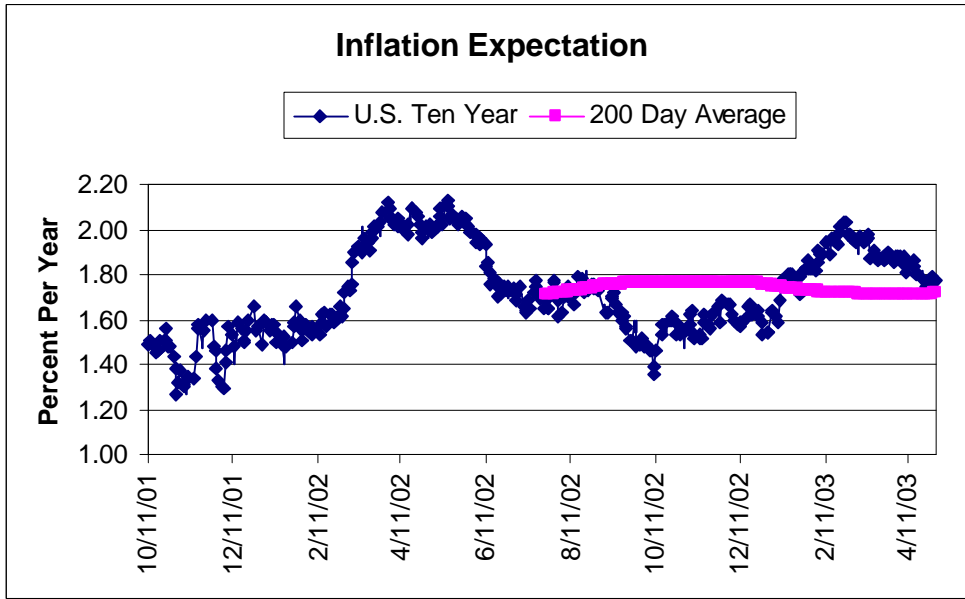
Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

# Meter Reader

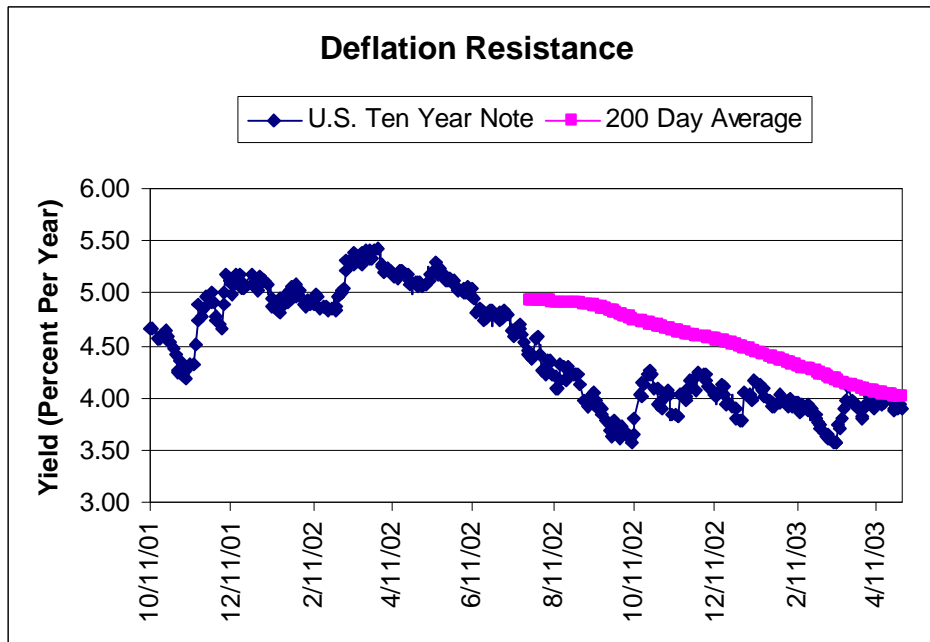
A Weekly Analysis of Energy Stocks Using the McDep Ratio

May 1, 2003

## Inflation Expectation on Upward Trend



## Deflation Resistance on Downward Trend



Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

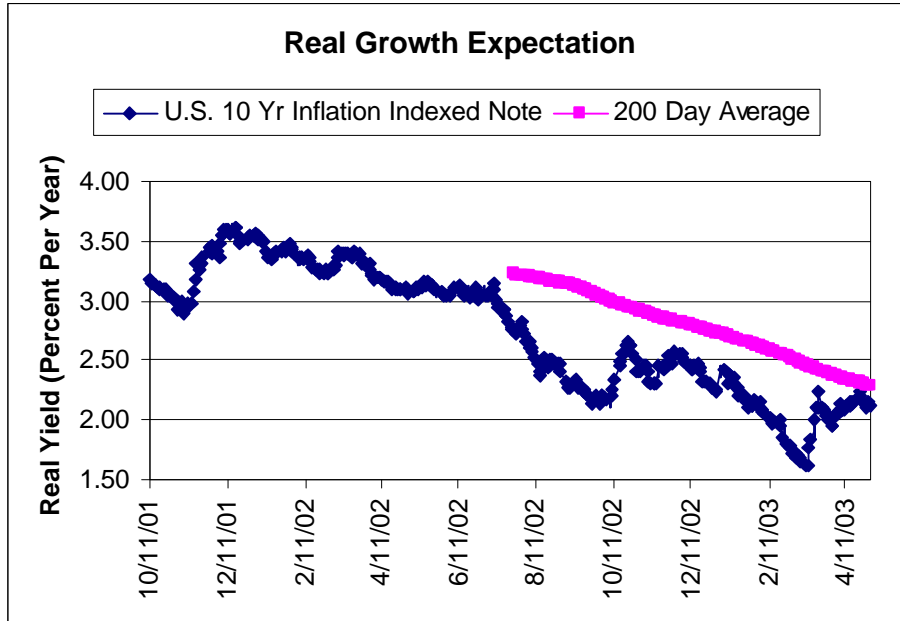
## Meter Reader

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

May 1, 2003

### Real Growth Expectation on Downward Trend

The only way that both inflation and deflation concerns can be intensifying is if real growth (the TIPS yield) is in a downward trend. We are just observers of the bond market. A few powerful days of trading could change the trends. Yet we believe that diversified investors should strive for real growth with both inflation protection and deflation resistance as offered by low McDep Ratio, low ratio of debt, energy stocks.



Kurt H. Wulff, CFA

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

## Meter Reader

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

May 1, 2003

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

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 30-Apr 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>Mega Cap</b>							
Exxon Mobil Corporation	XOM	35.20	6,755	238,000	35.00	0.09	1.01
BP plc	BP	38.54	3,725	144,000	45.00	0.16	0.88
TotalFinaElf S.A.	TOT	65.70	1,317	86,500	85.00	0.16	0.81
Royal Dutch/Shell	RD B	40.88	3,473	142,000	55.00	0.19	0.79
ChevronTexaco Corporation	CVX B	62.81	1,063	66,800	95.00	0.19	0.72
<i>Total or Median</i>				<i>677,000</i>		<i>0.16</i>	<i>0.81</i>
<b>Producer/Refiners - Large Cap and Mid Cap</b>							
Murphy Oil Corporation	MUR	41.65	93	3,860	41.00	0.24	1.01
Petro-Canada	PCZ	33.00	264	8,700	38.00	0.20	0.90
Valero Energy Corporation	VLO	36.75	114	4,190	50.00	0.50	0.87
Imperial Oil Limited (30%)	IMO	30.26	114	3,440	36.00	0.12	0.86
ConocoPhillips	COP B	50.30	680	34,200	70.00	0.38	0.82
ENI S.p.A.	E	71.05	750	53,300	90.00	0.14	0.82
Suncor Energy	SU	16.45	448	7,370	22.00	0.22	0.80
OAo Lukoil	LUKOY	69.66	206	14,000	90.00	0.12	0.80
Norsk Hydro ASA (49%)	NHY	42.45	126	5,370	60.00	0.26	0.78
PetroChina Company Ltd (10%)	PTR B	23.27	176	4,090	33.00	0.15	0.75
Petroleo Brasileiro S. A.	PBR N	18.55	1,086	20,100	30.00	0.25	0.71
Marathon Oil Corporation	MRO B	22.77	310	7,060	40.00	0.31	0.70
<i>Total or Median</i>				<i>162,000</i>		<i>0.22</i>	<i>0.80</i>
<b>Independent Natural Gas and Oil</b>							
Pogo Producing Company	PPP	39.60	65	2,550	38.00	0.22	1.03
Occidental Petroleum Corp.	OXY	29.85	383	11,400	35.00	0.36	0.91
Encana Corporation	ECA B	32.90	470	15,500	40.00	0.24	0.87
XTO Energy Inc.	XTO B	19.50	169	3,290	24.00	0.25	0.86
Apache Corporation	APA	57.25	159	9,100	70.00	0.20	0.85
Devon Energy	DVN	47.25	163	7,700	65.00	0.42	0.84
Burlington Resources	BR B	46.31	202	9,400	60.00	0.26	0.83
Anadarko Petroleum Corp.	APC	44.40	258	11,500	60.00	0.29	0.82
Unocal Corporation	UCL	27.70	255	7,100	40.00	0.35	0.80
Pioneer Natural Resources Company	PXD	23.92	118	2,820	35.00	0.31	0.78
CNOOC Limited (19%)	CEO B	26.22	78	2,050	35.00	-	0.75
Canadian Natural Resources Limited	CNQ	33.38	139	4,640	55.00	0.29	0.72
<i>Total or Median</i>				<i>73,000</i>		<i>0.28</i>	<i>0.83</i>
<b>Service</b>							
Baker Hughes Inc.	BHI	28.00	339	9,500	25.00	0.09	1.11
Halliburton Company	HAL	21.41	434	9,300	22.00	0.25	0.98
Schlumberger Ltd.	SLB	41.93	581	24,400	44.00	0.22	0.96

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

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

## Meter Reader

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

May 1, 2003

**Table 1-2**  
**Energy Producers**  
**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

	Symbol/ Rating	Price (\$/sh) 30-Apr 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	35.20	1.2	8.2	16	2.6	8.2
BP plc	BP	38.54	0.9	6.8	21	3.7	7.7
Royal Dutch/Shell	RD B	40.88	1.0	6.6	15	4.5	8.3
TotalFinaElf S.A.	TOT	65.70	1.0	6.2	15	4.9	7.7
ChevronTexaco Corporation	CVX B	62.81	0.8	5.6	11	4.5	7.8
	<i>Median</i>		<i>1.0</i>	<i>6.6</i>	<i>15</i>	<i>4.5</i>	<i>7.8</i>
<b>Producer/Refiners - Large Cap and Mid Cap</b>							
Suncor Energy	SU	16.45	2.7	6.5	11	0.7	8.0
ConocoPhillips	COP B	50.30	0.7	6.4	12	3.2	7.7
Murphy Oil Corporation	MUR	41.65	1.1	6.0	15	1.9	5.9
Imperial Oil Limited (30%)	IMO	30.26	1.1	5.9	10	1.8	6.9
Valero Energy Corporation	VLO	36.75	0.3	4.8	5	1.1	5.5
Marathon Oil Corporation	MRO B	22.77	0.4	4.4	9	4.0	6.3
Petro-Canada	PCZ	33.00	1.3	4.1	8	0.8	4.6
Petroleo Brasileiro S. A.	PBR N	18.55	1.3	4.0	7	7.3	5.7
ENI S.p.A.	E	71.05	1.6	3.9	8	6.0	4.8
OAOLukoil	LUKOY	69.66	1.0	3.2	5	2.7	4.0
PetroChina Company Ltd (10%)	PTR B	23.27	1.7	3.1	6	7.7	4.1
Norsk Hydro ASA (49%)	NHY	42.45	0.7	3.0	5	3.4	3.8
	<i>Median</i>		<i>1.1</i>	<i>4.3</i>	<i>8</i>	<i>3.0</i>	<i>5.6</i>
<b>Independent Natural Gas and Oil</b>							
Pioneer Natural Resources Company	PXD	23.92	4.5	7.2	22	-	9.2
Occidental Petroleum Corp.	OXY	29.85	2.3	5.6	9	3.5	6.2
XTO Energy Inc.	XTO B	19.50	3.9	5.5	9	0.2	6.4
Apache Corporation	APA	57.25	3.8	5.3	11	0.7	6.2
Unocal Corporation	UCL	27.70	2.0	5.1	13	2.9	6.3
Pogo Producing Company	PPP	39.60	3.2	4.9	12	0.3	4.7
Anadarko Petroleum Corp.	APC	44.40	3.6	4.7	7	0.9	5.8
CNOOC Limited (19%)	CEO B	26.22	3.6	4.6	9	2.4	6.1
Burlington Resources	BR B	46.31	3.4	4.5	9	1.2	5.4
Encana Corporation	ECA B	32.90	2.0	4.2	9	0.8	4.9
Devon Energy	DVN	47.25	2.7	4.1	6	-	4.9
Canadian Natural Resources Limited	CNQ	33.38	1.9	3.1	6	1.2	4.3
	<i>Median</i>		<i>3.3</i>	<i>4.8</i>	<i>9</i>	<i>0.9</i>	<i>6.0</i>
<b>Service</b>							
Baker Hughes Inc.	BHI	28.00	2.0	12.0	33	1.6	10.8
Halliburton Company	HAL	21.41	1.0	8.8	19	2.3	9.0
Schlumberger Ltd.	SLB	41.93	2.3	8.6	31	1.8	8.9

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

## Meter Reader

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

May 1, 2003

**Table 2-1**  
**Energy Pipeline and Power Companies**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 30-Apr 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>Large Cap Power</b>							
Duke Energy Corporation	DUK	17.59	832	14,600	16.00	0.69	1.03
Southern Company	SO	29.09	696	20,300	28.00	0.43	1.02
Exelon Corporation	EXC N	53.04	325	17,200	65.00	0.51	0.91
American Electric Power Co. Inc.	AEP N	26.38	348	9,200	35.00	0.60	0.90
Enel S.p.a. (32%)	EN	29.56	388	11,500	37.00	0.40	0.88
Dominion Resources	D	59.18	294	17,400	76.00	0.44	0.88
<b>Mid Cap Pipeline and Power</b>							
Kinder Morgan Energy Partners, L.P.	KMP S	39.11	141	5,520	14.00	0.47	1.94
Kinder Morgan Management, LLC	KMR S	34.29	40	1,350	14.00	0.47	1.76
Kinder Morgan, Inc.	KMI S	47.02	123	5,760	14.00	0.80	1.48
Williams Companies	WMB	6.95	518	3,600	1.00	0.97	1.19
Dynegy Inc.	DYN	4.40	418	1,840	1.00	0.97	1.11
Calpine Corporation	CPN N	5.37	381	2,050	1.00	0.98	1.10
AES Corporation	AES	6.01	558	3,350	1.00	0.98	1.10
Mirant Corporation	MIR	3.31	402	1,330	1.00	0.96	1.09
Constellation Energy Group	CEG	29.28	164	4,800	25.00	0.61	1.07
CMS Energy Corporation	CMS	6.23	139	870	5.00	0.93	1.02
Sempra Energy	SRE	26.84	206	5,530	30.00	0.59	0.96
El Paso Corporation	EP N	7.50	589	4,400	10.00	0.79	0.95
<b>Small Cap Pipeline</b>							
El Paso Energy Partners	EPN S	34.34	57	1,960	10.60	0.60	1.91
Enterprise Products Part (16%)	EPD	22.64	29	650	6.70	0.63	1.88
Enbridge Energy Partners, L.P.	EEP S	45.60	35	1,600	14.90	0.64	1.75
Plains All Amer. Pipeline	PAA	28.48	50	1,420	11.60	0.49	1.74
Enbridge Energy Management, L.L.C	EEQ S	40.57	35	1,420	14.90	0.64	1.63
TEPPCO Partners, L.P.	TPP	32.46	50	1,620	17.70	0.56	1.36
Northern Border Partners	NBP	39.98	44	1,760	20.40	0.62	1.36
Williams Energy Partners	WEG	42.25	28	1,170	29.00	0.38	1.28
AmeriGas Partners, L.P.	APU	26.12	49	1,290	18.30	0.51	1.21
Western Gas Resources	WGR	36.68	34	1,240	37.60	0.29	0.98
<b>Coal</b>							
Penn Virginia Res. Part, L.P.	PVR	25.60	15	390	18.00	-	1.42
Consol Energy Inc.	CNX	17.20	79	1,360	5.00	0.88	1.29
Peabody Energy	BTU	28.10	55	1,550	18.00	0.75	1.14
Alliance Res. Part, L.P.	ARLP	24.91	16	400	20.00	0.45	1.14
Arch Coal	ACI	18.08	48	860	18.00	0.61	1.00
Massey Energy	MEE	10.43	75	780	18.00	0.37	0.73
<i>Total or Median</i>				<i>5,300</i>	<i>0.53</i>	<i>1.14</i>	

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

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

## Meter Reader

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

May 1, 2003

**Table 2-2**  
**Energy Pipeline and Power Companies**  
**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

	Symbol/ Rating	Price (\$/sh) 30-Apr 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
<b>Large Cap Power</b>							
Southern Company	SO	29.09	3.3	9.3	16	4.7	9.1
Duke Energy Corporation	DUK	17.59	2.3	9.3	12	6.3	9.0
Exelon Corporation	EXC N	53.04	2.5	8.2	11	3.5	9.0
Dominion Resources	D	59.18	3.4	7.9	12	4.4	9.0
Enel S.p.a. (32%)	EN	29.56	2.1	7.9	23	4.7	8.9
American Electric Power Co. Inc.	AEP N	26.38	0.8	7.6	10	5.3	8.5
<b>Mid Cap Pipeline and Power</b>							
Kinder Morgan Energy Partners, L.P.	KMP S	39.11	3.5	16.9	20	6.4	8.7
Kinder Morgan Management, LLC	KMR S	34.29	3.1	15.3	18	7.3	8.7
Calpine Corporation	CPN N	5.37	2.4	13.4	6	-	12.2
Kinder Morgan, Inc.	KMI S	47.02	3.6	13.1	14	1.3	8.9
Dynegy Inc.	DYN	4.40	3.0	12.4	35	-	11.3
AES Corporation	AES	6.01	3.7	11.1	18	-	10.1
Williams Companies	WMB	6.95	3.5	9.8		0.6	8.3
Mirant Corporation	MIR	3.31	1.3	9.7	6	-	8.9
CMS Energy Corporation	CMS	6.23	1.1	8.9	8	-	8.7
Constellation Energy Group	CEG	29.28	2.4	8.6	14	3.6	8.1
Sempra Energy	SRE	26.84	2.1	8.4	10	3.7	8.7
El Paso Corporation	EP N	7.50	2.4	6.6	5	2.1	6.9
	<i>Median</i>		<i>2.4</i>	<i>9.8</i>	<i>12</i>	<i>0.6</i>	<i>8.7</i>
<b>Small Cap Pipeline</b>							
El Paso Energy Partners	EPN S	34.34	9.4	17.2	42	7.9	9.0
Enterprise Products Part (16%)	EPD	22.64	1.9	16.9		0.9	9.0
Enbridge Energy Partners, L.P.	EEP S	45.60	2.1	15.8	34	7.9	9.0
Plains All Amer. Pipeline	PAA	28.48	0.2	15.6	23	7.5	9.0
Enbridge Energy Management, L.L.C	EEQ S	40.57	1.9	14.6	30	8.9	9.0
TEPPCO Partners, L.P.	TPP	32.46	1.0	12.3	17	7.4	9.0
Northern Border Partners	NBP	39.98	7.0	12.2	15	8.0	9.0
Williams Energy Partners	WEG	42.25	4.0	10.9	13	7.1	8.5
AmeriGas Partners, L.P.	APU	26.12	1.7	10.9	25	8.4	9.0
Western Gas Resources	WGR	36.68	0.7	7.3	16	-	7.4
	<i>Median</i>		<i>1.9</i>	<i>13.5</i>	<i>23</i>	<i>7.7</i>	<i>9.0</i>
<b>Coal</b>							
Consol Energy Inc.	CNX	17.20	2.0	12.5	39	3.3	9.7
Penn Virginia Res. Part, L.P.	PVR	25.60	9.4	12.1	14	7.8	8.6
Peabody Energy	BTU	28.10	1.6	10.2	24	1.4	9.0
Arch Coal	ACI	18.08	1.5	9.0		1.3	9.0
Alliance Res. Part, L.P.	ARLP	24.91	1.3	8.0	21	8.0	7.0
Massey Energy	MEE	10.43	1.1	6.6		1.5	8.9
	<i>Median</i>		<i>1.5</i>	<i>9.6</i>	<i>22</i>	<i>2.4</i>	<i>8.9</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.



## Meter Reader

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

May 1, 2003

**Table 3-1**  
**Independent Natural Gas and Oil Producers - Small Cap**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 30-Apr 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>Short Life</b>							
Dorchester Minerals, L.P.	DMLP	15.52	27.0	420	13.00	-	1.19
Newfield Exploration Company	NFX	34.39	51.7	1,780	40.00	0.31	0.90
Spinnaker Exploration Company	SKE	21.40	33.8	720	25.00	-	0.86
Southwestern Energy Company	SWN	13.31	36.0	480	17.00	0.30	0.85
Cimarex Energy Company	XEC	19.70	41.0	810	24.00	0.03	0.83
Stone Energy Company	SGY	35.13	26.5	930	46.00	0.27	0.83
Denbury Resources Inc.	DNR	10.60	55.0	580	15.00	0.29	0.79
Wesport Resources Corporation	WRC	20.84	68.0	1,420	30.00	0.29	0.78
St. Mary Land and Exploration Compar	SM	25.62	29.0	740	35.00	0.11	0.76
Chesapeake Energy Corporation	CHK	8.06	220	1,770	14.00	0.38	0.74
Forest Oil Corporation	FST	N	20.78	48.2	1,000	0.33	0.73
The Houston Explorator Company	THX	27.97	31.0	870	45.00	0.16	0.68
<i>Total or Median</i>				<i>11,500</i>		<i>0.28</i>	<i>0.81</i>
<b>Long Life</b>							
Ultra Petroleum Corp.	UPL	10.00	78.0	780	7.00	0.15	1.37
Unit Corporation	UNT	19.60	43.6	860	18.00	0.04	1.09
Quicksilver Resources Inc.	KWK	23.12	20.4	470	25.00	0.35	0.95
Penn Virginia Corporation	PVA	38.96	9.0	350	45.00	0.06	0.87
Evergreen Resources, Inc.	EVG	47.55	22.0	1,050	60.00	0.10	0.81
Encore Acquisition Corp. (25%)	EAC	17.24	7.0	121	24.00	0.19	0.77
Magnum Hunter Resources, Inc.	MHR	5.62	69.0	390	11.00	0.45	0.73
Swift Energy Company	SFY	8.32	27.2	230	16.00	0.43	0.73
Vintage Petroleum, Inc.	VPI	9.78	63.0	620	20.00	0.40	0.70
<i>Total or Median</i>				<i>4,900</i>		<i>0.19</i>	<i>0.81</i>
<b>Canadian Royalty Trusts</b>							
Provident Energy Trust	PVX	7.50	63.5	480	6.00	0.23	1.19
Enerplus Resources Fund	ERF	20.05	75.0	1,500	20.00	0.16	1.00
Pengrowth Energy Trust	PGH	10.13	110.0	1,110	11.00	0.16	0.93
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	23.64	76.8	1,820	0.15	0.60
<i>Total or Median</i>				<i>4,900</i>		<i>0.16</i>	<i>0.97</i>
<b>Natural Gas Royalty Trusts</b>							
Cross Timbers Royalty Trust	CRT	21.05	6.0	126	21.80	-	0.96
Hugoton RoyaltyTrust (46%)	HGT	14.56	18.4	270	16.90	-	0.86
San Juan Basin Royalty Trust	SJT	B	15.17	46.6	710	-	0.83
<b>Micro Cap</b>							
Abraxas Petroleum Corporation	ABP	0.69	30.0	21	1.00	0.85	0.95
Energy Partners Ltd.(30%)	EPL	B	9.88	8.3	82	0.34	0.89
Purcell Energy, Ltd. (US\$)	PEL.TO	N	1.88	26.6	50	0.28	0.76

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

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

## Meter Reader

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

May 1, 2003

**Table 3-2**  
**Independent Natural Gas and Oil Producers - Small Cap**  
**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

	<i>Symbol/</i>	<i>Price</i>	<i>EV/</i>	<i>EV/</i>	<i>Dividend or</i>	<i>PV/</i>
	<i>Rating</i>	<i>(\$/sh)</i>	<i>Sales</i>	<i>Ebitda</i>	<i>Distribution</i>	<i>Ebitda</i>
		<i>30-Apr</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>
		<i>2003</i>			<i>NTM</i>	<i>NTM</i>
					<i>(%)</i>	
<b>Short Life</b>						
Dorchester Minerals, L.P.	DMLP	15.52	7.1	8.8	11	7.3
Forest Oil Corporation	FST	20.78	3.2	5.2	16	7.2
Southwestern Energy Company	SWN	13.31	2.4	4.9	9	5.8
Chesapeake Energy Corporation	CHK	8.06	3.2	4.7	9	6.4
Wesport Resources Corporation	WRC	20.84	3.3	4.6	13	5.9
Cimarex Energy Company	XEC	19.70	3.0	4.4	12	5.3
St. Mary Land and Exploration Company	SM	25.62	2.8	4.3	12	5.7
Denbury Resources Inc.	DNR	10.60	2.7	3.8	7	4.8
Stone Energy Company	SGY	35.13	2.7	3.6	7	4.4
Newfield Exploration Company	NFX	34.39	2.5	3.3	6	3.6
Spinnaker Exploration Company	SKE	21.40	2.7	3.1	11	3.6
The Houston Exploraton Company	THX	27.97	2.3	2.8	6	4.1
	<i>Median</i>		<i>2.8</i>	<i>4.3</i>	<i>10</i>	<i>5.5</i>
<b>Long Life</b>						
Ultra Petroleum Corp.	UPL	10.00	9.5	15.5	30	11.4
Evergreen Resources, Inc.	EVG	47.55	6.1	8.7	15	10.7
Unit Corporation	UNT	19.60	3.6	8.2	21	7.6
Quicksilver Resources Inc.	KWK	23.12	4.4	6.5	11	6.8
Encore Acquisition Corp. (25%)	EAC	17.24	3.4	5.2	13	6.8
Swift Energy Company	SFY	8.32	3.3	5.1	14	7.0
Penn Virginia Corporation	PVA	38.96	2.6	4.9	13	5.7
Magnum Hunter Resources, Inc.	MHR	5.62	2.8	4.8	10	6.5
Vintage Petroleum, Inc.	VPI	9.78	2.3	4.3	41	6.2
<b>Canadian Royalty Trusts</b>						
Enerplus Resources Fund	ERF	20.05	4.9	6.5	11	6.5
Canadian Oil Sands Trust (US\$)	COS_u.TO	23.64	3.2	5.6	6	9.4
Pengrowth Energy Trust	PGH	10.13	3.7	5.6	12	6.0
Provident Energy Trust	PVX	7.50	3.6	5.2	11	4.3
<b>Natural Gas Royalty Trusts</b>						
Cross Timbers Royalty Trust	CRT	21.05	6.1	8.4	9	8.7
San Juan Basin Royalty Trust	SJT	15.17	5.1	6.2	7	7.5
Hugoton RoyaltyTrust (46%)	HGT	14.56	4.5	5.9	7	6.8
<b>Micro Cap</b>						
Abraxas Petroleum Corporation	ABP	0.69	6.3	11.4		12.0
Energy Partners Ltd.(30%)	EPL	9.88	2.7	4.6		5.2
Purcell Energy, Ltd. (US\$)	PEL.TO	1.88	3.3	4.6	9	6.0

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

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.