

Visionary or Promoter?

Summary and Recommendation

In the latest issue of *Fortune* Magazine, Julie Creswell quotes Richard Kinder suggesting that **Kinder Morgan Energy Partners (KMP)** offers “a 14% total return...without a lot of risk”. Considering the general partner’s equal take and the partnership’s debt, that implies an enterprise return of 16% a year. Moreover, Kinder invests across the spectrum of the energy industry from oil fields to pipelines to tanks to power plants. Thus, the third richest man in Houston apparently foresees a golden era for energy. Investors can get similar industry representation with more global opportunity and dollar diversification in mega cap buy recommendations, **ChevronTexaco(CVX)** and **Royal Dutch (RD)**, for example. Priced at about \$74 and \$45 a share respectively, CVX and RD would be \$280 and \$140 to be valued at the same unlevered cash flow multiple as KMP.

High Returns Possible

Mr. Kinder reckons that KMP pays 6% and the distribution can grow 8% per year. If Mr. Kinder is describing a 14% return without acquisitions he is implying that the current combination of businesses earns 28% per year. The general partner gets almost as much in distributions as the limited partners for almost no capital outlay. About half of the assets are financed with debt that costs an average of 4%. Half at 28% and half at 4% averages 16% as the annual return on total capital.

How likely is a return on capital of 16%? It seemed far-fetched a year ago when the general partner of KMP was practically insolvent by our calculations. It is ambitious today and probably higher than any energy company has actually earned over a long time. Should Mr. Kinder turn out to be a visionary, the outlook is even better for CVX and RD among other energy stocks. Should Mr. Kinder turn out to be a promoter, it could be a long way down for investors in KMP.

High Returns Not Reflected Yet in Stock Price for CVX or RD

CVX and RD trade for low unlevered cash flow multiples of 5.8 and 6.7 times respectively (see Table 1-2). KMP trades at a lofty 18 times. That is a current number for KMP although we have not published that ratio for pipeline and power peers for a while. The low cash flow multiples of quality energy companies like CVX and RD seem more compelling as justification for new investment.

Kurt H. Wulff, CFA

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Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

November 20, 2003

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

| | Symbol/ Rating | Price (\$/sh) 19-Nov 2003 | Shares (mm) | Market Cap (\$mm) | Net Present Value (\$/sh) | Debt/ Present Value | McDep Ratio |
|--|-------------------|------------------------------------|----------------|-------------------------|------------------------------------|---------------------------|----------------|
| Mega Cap | | | | | | | |
| Exxon Mobil Corporation | XOM | 35.44 | 6,652 | 236,000 | 35.00 | 0.10 | 1.01 |
| Total S.A. | TOT | 78.91 | 1,261 | 99,500 | 85.00 | 0.19 | 0.94 |
| BP plc | BP | 42.50 | 3,682 | 157,000 | 50.00 | 0.15 | 0.87 |
| Royal Dutch/Shell | RD B | 44.58 | 3,473 | 155,000 | 55.00 | 0.18 | 0.84 |
| ChevronTexaco Corporation | CVX B | 74.20 | 1,064 | 78,900 | 95.00 | 0.20 | 0.82 |
| <i>Total or Median</i> | | | | <i>726,000</i> | | <i>0.18</i> | <i>0.87</i> |
| Producer/Refiners - Large Cap and Mid Cap | | | | | | | |
| Murphy Oil Corporation | MUR | 59.64 | 92 | 5,510 | 41.00 | 0.26 | 1.33 |
| Imperial Oil Limited (30%) | IMO | 39.89 | 113 | 4,520 | 36.00 | 0.12 | 1.09 |
| Norsk Hydro ASA (49%) | NHY | 56.80 | 126 | 7,180 | 60.00 | 0.27 | 0.96 |
| Petro-Canada | PCZ | 42.83 | 265 | 11,350 | 45.00 | 0.19 | 0.96 |
| Valero Energy Corporation | VLO | 42.85 | 114 | 4,880 | 50.00 | 0.50 | 0.93 |
| ENI S.p.A. | E | 82.39 | 750 | 61,800 | 90.00 | 0.14 | 0.93 |
| Suncor Energy | SU | 21.98 | 474 | 10,420 | 25.00 | 0.14 | 0.90 |
| OAo Lukoil | LUKOY | 78.40 | 210 | 16,000 | 90.00 | 0.11 | 0.89 |
| ConocoPhillips | COP B | 57.03 | 682 | 38,900 | 70.00 | 0.38 | 0.89 |
| Petroleo Brasileiro S. A. | PBR | 24.90 | 1,096 | 27,300 | 30.00 | 0.25 | 0.87 |
| Marathon Oil Corporation | MRO B | 29.18 | 310 | 9,050 | 40.00 | 0.31 | 0.81 |
| PetroChina Company Ltd (10%) | PTR B | 36.63 | 176 | 6,440 | 50.00 | 0.11 | 0.76 |
| <i>Total or Median</i> | | | | <i>203,000</i> | | <i>0.22</i> | <i>0.91</i> |
| Independent Natural Gas and Oil | | | | | | | |
| Pogo Producing Company | PPP | 42.30 | 64 | 2,710 | 42.00 | 0.12 | 1.01 |
| CNOOC Limited (19%) | CEO B | 38.60 | 78 | 3,010 | 40.00 | - | 0.96 |
| XTO Energy Inc. | XTO B | 24.75 | 186 | 4,610 | 26.00 | 0.24 | 0.96 |
| Apache Corporation | APA | 70.96 | 162 | 11,500 | 75.00 | 0.23 | 0.96 |
| Occidental Petroleum Corp. | OXY | 36.02 | 391 | 14,100 | 40.00 | 0.31 | 0.93 |
| Canadian Natural Resources Limited | CNQ | 43.72 | 137 | 5,990 | 55.00 | 0.40 | 0.88 |
| Unocal Corporation | UCL | 31.51 | 273 | 8,600 | 40.00 | 0.33 | 0.86 |
| Pioneer Natural Resources Company | PXD | 26.99 | 119 | 3,210 | 35.00 | 0.31 | 0.84 |
| Encana Corporation | ECA B | 35.49 | 470 | 16,700 | 45.00 | 0.22 | 0.84 |
| Anadarko Petroleum Corp. | APC B | 44.71 | 251 | 11,200 | 60.00 | 0.31 | 0.82 |
| Burlington Resources | BR B | 49.80 | 201 | 10,000 | 65.00 | 0.25 | 0.82 |
| Devon Energy | DVN | 48.58 | 241 | 11,700 | 70.00 | 0.36 | 0.80 |
| <i>Total or Median</i> | | | | <i>103,000</i> | | <i>0.28</i> | <i>0.87</i> |
| Service | | | | | | | |
| Baker Hughes Inc. | BHI | 28.86 | 339 | 9,800 | 25.00 | 0.09 | 1.14 |
| Halliburton Company | HAL | 23.43 | 434 | 10,200 | 22.00 | 0.25 | 1.05 |
| Schlumberger Ltd. | SLB | 46.53 | 581 | 27,000 | 44.00 | 0.22 | 1.04 |

Buy/Sell rating after symbol: B - Buy, 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

November 20, 2003

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

| | Symbol/ Rating | Price (\$/sh) 19-Nov 2003 | EV/ Sales NTM | EV/ Ebitda NTM | P/E NTM | Dividend or Distribution NTM (%) | PV/ Ebitda NTM |
|--|-------------------|------------------------------------|---------------------|----------------------|------------|---|----------------------|
| Mega Cap | | | | | | | |
| Exxon Mobil Corporation | XOM | 35.44 | 1.1 | 7.5 | 15 | 2.8 | 7.5 |
| Total S.A. | TOT | 78.91 | 1.1 | 7.5 | 15 | 4.5 | 7.9 |
| BP plc | BP | 42.50 | 0.8 | 7.2 | 16 | 3.7 | 8.2 |
| Royal Dutch/Shell | RD B | 44.58 | 1.0 | 6.7 | 16 | 4.6 | 7.9 |
| ChevronTexaco Corporation | CVX B | 74.20 | 0.8 | 5.8 | 11 | 3.9 | 7.1 |
| | <i>Median</i> | | <i>1.0</i> | <i>7.2</i> | <i>15</i> | <i>3.9</i> | <i>7.9</i> |
| Producer/Refiners - Large Cap and Mid Cap | | | | | | | |
| Murphy Oil Corporation | MUR | 59.64 | 1.7 | 10.8 | 39 | 1.3 | 8.1 |
| Suncor Energy | SU | 21.98 | 3.0 | 8.3 | 17 | 0.7 | 9.3 |
| Imperial Oil Limited (30%) | IMO | 39.89 | 1.2 | 8.1 | 15 | 1.4 | 7.4 |
| ConocoPhillips | COP B | 57.03 | 0.6 | 6.1 | 9 | 3.0 | 6.9 |
| DAO Lukoil | LUKOY | 78.40 | 0.9 | 6.0 | 12 | 3.3 | 6.8 |
| Marathon Oil Corporation | MRO B | 29.18 | 0.4 | 5.2 | 11 | 3.4 | 6.4 |
| Valero Energy Corporation | VLO | 42.85 | 0.3 | 5.1 | 6 | 0.9 | 5.5 |
| Petro-Canada | PCZ | 42.83 | 1.5 | 4.7 | 12 | 0.7 | 4.9 |
| ENI S.p.A. | E | 82.39 | 1.8 | 4.3 | 9 | 5.2 | 4.7 |
| PetroChina Company Ltd (10%) | PTR B | 36.63 | 2.3 | 4.2 | 8 | 5.6 | 5.4 |
| Petroleo Brasileiro S. A. | PBR | 24.90 | 1.5 | 4.0 | 6 | 3.4 | 4.6 |
| Norsk Hydro ASA (49%) | NHY | 56.80 | 0.9 | 3.8 | 11 | 2.6 | 4.0 |
| | <i>Median</i> | | <i>1.3</i> | <i>5.1</i> | <i>11</i> | <i>2.8</i> | <i>5.9</i> |
| Independent Natural Gas and Oil | | | | | | | |
| XTO Energy Inc. | XTO B | 24.75 | 4.6 | 6.4 | 12 | 0.2 | 6.6 |
| CNOOC Limited (19%) | CEO B | 38.60 | 4.8 | 6.2 | 13 | 4.1 | 6.5 |
| Burlington Resources | BR B | 49.80 | 3.8 | 5.6 | 14 | 1.2 | 6.7 |
| Encana Corporation | ECA B | 35.49 | 2.5 | 5.4 | 15 | 0.9 | 6.4 |
| Pioneer Natural Resources Company | PXD | 26.99 | 3.9 | 5.3 | 15 | - | 6.2 |
| Unocal Corporation | UCL | 31.51 | 2.3 | 5.1 | 12 | 2.5 | 6.0 |
| Anadarko Petroleum Corp. | APC B | 44.71 | 3.6 | 5.1 | 9 | 1.3 | 6.2 |
| Apache Corporation | APA | 70.96 | 3.5 | 5.1 | 11 | 0.7 | 5.3 |
| Occidental Petroleum Corp. | OXY | 36.02 | 2.3 | 5.0 | 8 | 2.9 | 5.4 |
| Canadian Natural Resources Limited | CNQ | 43.72 | 3.3 | 4.7 | 11 | 1.0 | 5.3 |
| Devon Energy | DVN | 48.58 | 2.8 | 4.4 | 8 | - | 5.4 |
| Pogo Producing Company | PPP | 42.30 | 2.8 | 4.1 | 10 | 0.5 | 4.1 |
| | <i>Median</i> | | <i>3.4</i> | <i>5.1</i> | <i>12</i> | <i>0.9</i> | <i>6.1</i> |
| Service | | | | | | | |
| Baker Hughes Inc. | BHI | 28.86 | 2.0 | 12.3 | 34 | 1.6 | 10.8 |
| Halliburton Company | HAL | 23.43 | 1.1 | 9.5 | 21 | 2.1 | 9.0 |
| Schlumberger Ltd. | SLB | 46.53 | 2.5 | 9.3 | 34 | 1.6 | 8.9 |

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2004; P/E = Stock Price to Earnings; PV = 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

November 20, 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) 19-Nov 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> |
|-------------------------------------|---------------------------|--|------------------------|----------------------------------|--|------------------------------------|------------------------|
| Large Cap Power | | | | | | | |
| Duke Energy Corporation | DUK | 17.63 | 832 | 14,700 | 16.00 | 0.69 | 1.03 |
| Southern Company | SO | 29.09 | 696 | 20,300 | 28.00 | 0.43 | 1.02 |
| Exelon Corporation | EXC | 62.59 | 325 | 20,300 | 65.00 | 0.51 | 0.98 |
| American Electric Power Co. Inc. | AEP | 27.45 | 348 | 9,600 | 35.00 | 0.60 | 0.91 |
| Enel S.p.a. (32%) | EN | 31.19 | 388 | 12,100 | 37.00 | 0.40 | 0.91 |
| Dominion Resources | D | 60.02 | 294 | 17,600 | 76.00 | 0.44 | 0.88 |
| | <i>Total or Median</i> | | | <i>94,600</i> | | <i>0.47</i> | <i>0.95</i> |
| Mid Cap Pipeline and Power | | | | | | | |
| Kinder Morgan Energy Partners, L.P. | KMP S | 44.15 | 140 | 6,190 | 14.00 | 0.46 | 2.16 |
| Kinder Morgan Management, LLC | KMR S | 39.25 | 48 | 1,880 | 14.00 | 0.46 | 1.98 |
| Kinder Morgan, Inc. | KMI S | 53.67 | 124 | 6,680 | 14.00 | 0.80 | 1.57 |
| Williams Companies | WMB | 8.96 | 518 | 4,640 | 1.00 | 0.97 | 1.25 |
| Constellation Energy Group | CEG | 35.90 | 164 | 5,890 | 25.00 | 0.61 | 1.17 |
| AES Corporation | AES | 8.41 | 558 | 4,690 | 1.00 | 0.98 | 1.14 |
| Dynegy Inc. | DYN | 3.84 | 418 | 1,610 | 1.00 | 0.97 | 1.09 |
| Calpine Corporation | CPN | 4.31 | 381 | 1,640 | 1.00 | 0.98 | 1.08 |
| CMS Energy Corporation | CMS | 7.70 | 139 | 1,070 | 5.00 | 0.93 | 1.04 |
| Sempra Energy | SRE | 26.99 | 206 | 5,560 | 30.00 | 0.59 | 0.96 |
| El Paso Corporation | EP | 6.17 | 589 | 3,600 | 10.00 | 0.79 | 0.92 |
| | <i>Total or Median</i> | | | <i>43,450</i> | | <i>0.80</i> | <i>1.14</i> |
| Small Cap Pipeline | | | | | | | |
| Enterprise Products Part (44%) | EPD | 23.00 | 96 | 2,210 | 8.50 | 0.49 | 1.88 |
| Enbridge Energy Partners, L.P. | EEP S | 52.08 | 39 | 2,030 | 19.00 | 0.57 | 1.75 |
| Gulfterra Energy Partners | GTM S | 40.47 | 66 | 2,660 | 17.30 | 0.48 | 1.69 |
| Enbridge Energy Management, L.L.C | EEQ S | 47.63 | 10 | 470 | 19.00 | 0.57 | 1.64 |
| Plains All Amer. Pipeline, L.P. | PAA | 30.95 | 50 | 1,550 | 15.00 | 0.44 | 1.60 |
| TEPPCO Partners, L.P. | TPP | 39.45 | 58 | 2,290 | 18.00 | 0.52 | 1.57 |
| Magellan Midstream Partners, L.P. | MMP | 54.99 | 27 | 1,500 | 29.00 | 0.38 | 1.56 |
| Northern Border Partners | NBP | 40.27 | 47 | 1,870 | 20.00 | 0.62 | 1.38 |
| AmeriGas Partners, L.P. | APU | 26.79 | 52 | 1,400 | 20.00 | 0.46 | 1.18 |
| Western Gas Resources | WGR | 42.87 | 37 | 1,590 | 40.00 | 0.27 | 1.05 |
| | <i>Total or Median</i> | | | <i>17,570</i> | | <i>0.48</i> | <i>1.59</i> |

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

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

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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) 19-Nov 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> | |
|---------------------------------------|---------------------------|--|------------------------|----------------------------------|--|------------------------------------|------------------------|------|
| Short Life | | | | | | | | |
| Dorchester Minerals, L.P. | DMLP | 17.85 | 27.0 | 480 | 13.00 | - | 1.37 | |
| Southwestern Energy Company | SWN | 19.29 | 36.0 | 690 | 17.00 | 0.30 | 1.09 | |
| Spinnaker Exploration Company | SKE | 26.17 | 33.8 | 890 | 25.00 | - | 1.05 | |
| Newfield Exploration Company | NFX | 40.57 | 51.7 | 2,100 | 40.00 | 0.31 | 1.01 | |
| Energy Partners Ltd. | EPL | B | 11.71 | 38.2 | 447 | 12.00 | 0.22 | 0.98 |
| Westport Resources Corporation | WRC | 27.04 | 68.0 | 1,840 | 30.00 | 0.29 | 0.93 | |
| Chesapeake Energy Corporation | CHK | 12.35 | 220 | 2,720 | 14.00 | 0.38 | 0.93 | |
| Stone Energy Company | SGY | 36.38 | 26.5 | 960 | 46.00 | 0.27 | 0.85 | |
| Cimarex Energy Company | XEC | B | 22.84 | 42.0 | 960 | 27.00 | 0.00 | 0.85 |
| Denbury Resources Inc. | DNR | 11.59 | 55.0 | 640 | 15.00 | 0.29 | 0.84 | |
| Forest Oil Corporation | FST | 25.24 | 48.2 | 1,220 | 35.00 | 0.33 | 0.81 | |
| The Houston Exploraton Company | THX | 33.90 | 31.0 | 1,050 | 45.00 | 0.16 | 0.79 | |
| St. Mary Land and Exploration Company | SM | 24.90 | 29.0 | 720 | 35.00 | 0.14 | 0.75 | |
| <i>Total or Median</i> | | | | <i>14,700</i> | | <i>0.27</i> | <i>0.93</i> | |
| Long Life | | | | | | | | |
| Ultra Petroleum Corp. | UPL | 19.73 | 78.0 | 1,540 | 7.00 | 0.15 | 2.55 | |
| Quicksilver Resources Inc. | KWK | 30.00 | 20.4 | 610 | 25.00 | 0.35 | 1.13 | |
| Unit Corporation | UNT | 19.80 | 43.6 | 860 | 18.00 | 0.04 | 1.10 | |
| Penn Virginia Corporation | PVA | 46.08 | 9.0 | 420 | 45.00 | 0.06 | 1.02 | |
| Evergreen Resources, Inc. | EVG | 27.53 | 44.0 | 1,210 | 30.00 | 0.10 | 0.93 | |
| Swift Energy Company | SFY | 13.82 | 27.2 | 380 | 16.00 | 0.43 | 0.92 | |
| Magnum Hunter Resources, Inc. | MHR | 8.74 | 69.0 | 600 | 11.00 | 0.45 | 0.89 | |
| Encore Acquisition Corp. (40%) | EAC | B | 20.34 | 11.2 | 228 | 24.00 | 0.18 | 0.88 |
| Vintage Petroleum, Inc. | VPI | 10.43 | 63.0 | 660 | 20.00 | 0.40 | 0.71 | |
| <i>Total or Median</i> | | | | <i>6,500</i> | | <i>0.18</i> | <i>0.93</i> | |
| Canadian Royalty Trusts | | | | | | | | |
| Enerplus Resources Fund | ERF | 27.61 | 83.7 | 2,310 | 20.00 | 0.16 | 1.32 | |
| Provident Energy Trust | PVX | 8.29 | 68.8 | 570 | 6.00 | 0.25 | 1.29 | |
| Pengrowth Energy Trust | PGH | 14.26 | 112.0 | 1,600 | 11.00 | 0.20 | 1.24 | |
| Canadian Oil Sands Trust (US\$) | COSWF | B | 31.10 | 86.3 | 2,680 | 45.00 | 0.22 | 0.76 |
| <i>Total or Median</i> | | | | <i>7,200</i> | | <i>0.21</i> | <i>1.26</i> | |
| Natural Gas Royalty Trusts | | | | | | | | |
| Hugoton Royalty Trust (46%) | HGT | 20.99 | 18.4 | 390 | 15.40 | - | 1.36 | |
| Cross Timbers Royalty Trust | CRT | 26.60 | 6.0 | 160 | 20.30 | - | 1.31 | |
| Permian Basin RT (41%) | PBT | 8.20 | 19.1 | 160 | 6.50 | - | 1.26 | |
| Sabine Royalty Trust | SBR | 27.20 | 14.6 | 400 | 22.00 | - | 1.24 | |
| San Juan Basin Royalty Trust | SJT | B | 19.03 | 46.6 | 890 | 18.10 | - | 1.05 |
| <i>Total or Median</i> | | | | <i>2,000</i> | | <i>-</i> | <i>1.26</i> | |
| Micro Cap | | | | | | | | |
| Abraxas Petroleum Corporation | ABP | 0.99 | 30.0 | 30 | 1.00 | 0.85 | 1.00 | |
| Purcell Energy, Ltd. (US\$) | PEL.TO | 1.95 | 27.9 | 54 | 2.80 | 0.32 | 0.79 | |

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

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| | Symbol/ Rating | Price (\$/sh) 19-Nov 2003 | EV/ Sales NTM | EV/ Ebitda NTM | P/E NTM | Dividend or Distribution NTM (%) | PV/ Ebitda NTM | |
|---------------------------------------|-------------------|------------------------------------|---------------------|----------------------|------------|---|----------------------|------|
| Short Life | | | | | | | | |
| Dorchester Minerals, L.P. | DMLP | 17.85 | 11.6 | 13.4 | 49 | 7.4 | 9.8 | |
| Southwestern Energy Company | SWN | 19.29 | 3.2 | 6.6 | 14 | - | 6.0 | |
| Chesapeake Energy Corporation | CHK | 12.35 | 4.2 | 6.0 | 14 | 1.0 | 6.5 | |
| Forest Oil Corporation | FST | 25.24 | 3.6 | 5.9 | 19 | - | 7.2 | |
| Westport Resources Corporation | WRC | 27.04 | 3.9 | 5.6 | 17 | - | 6.0 | |
| Energy Partners Ltd. | EPL | B | 11.71 | 2.8 | 4.8 | 43 | - | 4.9 |
| Cimarex Energy Company | XEC | B | 22.84 | 3.2 | 4.3 | 12 | - | 5.1 |
| St. Mary Land and Exploration Company | SM | 24.90 | 2.7 | 4.1 | 14 | 0.4 | 5.5 | |
| Denbury Resources Inc. | DNR | 11.59 | 2.8 | 4.0 | 8 | - | 4.8 | |
| Spinnaker Exploration Company | SKE | 26.17 | 3.4 | 3.9 | 14 | - | 3.7 | |
| Newfield Exploration Company | NFX | 40.57 | 2.9 | 3.8 | 8 | - | 3.8 | |
| Stone Energy Company | SGY | 36.38 | 2.8 | 3.8 | 8 | - | 4.5 | |
| The Houston Exploraton Company | THX | 33.90 | 2.8 | 3.4 | 8 | - | 4.3 | |
| | <i>Median</i> | | 3.2 | 4.3 | 14 | - | 5.1 | |
| Long Life | | | | | | | | |
| Ultra Petroleum Corp. | UPL | 19.73 | 16.8 | 27.1 | 54 | - | 10.6 | |
| Evergreen Resources, Inc. | EVG | 27.53 | 7.0 | 10.0 | 17 | - | 10.8 | |
| Unit Corporation | UNT | 19.80 | 3.6 | 8.3 | 21 | - | 7.6 | |
| Quicksilver Resources Inc. | KWK | 30.00 | 5.3 | 7.9 | 16 | - | 7.0 | |
| Swift Energy Company | SFY | 13.82 | 4.2 | 6.3 | 21 | - | 6.9 | |
| Magnum Hunter Resources, Inc. | MHR | 8.74 | 3.4 | 5.9 | 15 | - | 6.6 | |
| Penn Virginia Corporation | PVA | 46.08 | 3.1 | 5.7 | 15 | 2.0 | 5.6 | |
| Encore Acquisition Corp. (40%) | EAC | B | 20.34 | 3.2 | 4.6 | 9 | - | 5.2 |
| Vintage Petroleum, Inc. | VPI | 10.43 | 2.3 | 4.2 | 25 | 1.5 | 5.9 | |
| | <i>Median</i> | | 3.6 | 6.3 | 17 | - | 6.9 | |
| Canadian Royalty Trusts | | | | | | | | |
| Enerplus Resources Fund | ERF | 27.61 | 7.2 | 9.6 | 15 | 11.6 | 7.3 | |
| Canadian Oil Sands Trust (US\$) | COSWF | B | 31.10 | 4.2 | 8.2 | 9 | 4.9 | 10.9 |
| Pengrowth Energy Trust | PGH | 14.26 | 5.0 | 7.3 | 14 | 12.5 | 5.9 | |
| Provident Energy Trust | PVX | 8.29 | 4.2 | 6.0 | 13 | 15.6 | 4.7 | |
| Natural Gas Royalty Trusts | | | | | | | | |
| Cross Timbers Royalty Trust | CRT | 26.60 | 8.9 | 12.8 | 13 | 7.7 | 9.7 | |
| Permian Basin RT (41%) | PBT | 8.20 | 7.7 | 11.0 | 13 | 9.1 | 8.7 | |
| Sabine Royalty Trust | SBR | 27.20 | 10.4 | 10.8 | 11 | 9.2 | 8.8 | |
| Hugoton RoyaltyTrust (46%) | HGT | 20.99 | 7.7 | 10.6 | 13 | 7.5 | 7.8 | |
| San Juan Basin Royalty Trust | SJT | B | 19.03 | 7.1 | 8.8 | 11 | 9.5 | 8.3 |
| Micro Cap | | | | | | | | |
| Abraxas Petroleum Corporation | ABP | 0.99 | 6.8 | 12.6 | | - | 12.6 | |
| Purcell Energy, Ltd. (US\$) | PEL.TO | 1.95 | 3.5 | 5.3 | 17 | - | 6.7 | |

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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