

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

November 26, 2003

Invest Globally with Producer/Refiners

Summary and Recommendation

Producer/refiners offer unique energy investment opportunities to diversify dollar exposure and participate in global growth. Recommended **ConocoPhillips (COP)** and recommended **Marathon (MRO)** have the evolving international mix of U.S. major oil companies while recommended **PetroChina (PTR)** has the growth potential of a rising super power country. There may be a new opportunity developing in the Russian company, **Lukoil (LUKOY)**, with the recent stock price pullback though the shares are not traded on a North American exchange. The Canadian companies, **Suncor (SU)**, **Imperial (IMO)** and **PetroCanada (PCZ)** are producing growing volumes of energy from oil sands and other sources. Euro companies **Norsk Hydro (NHY)** and **ENI (E)** are valued competitively near low group medians of 0.92 for McDep Ratio, 0.21 for ratio of debt to present value, 5.9 times for unlevered cash flow multiple and 2.8% for annual distribution yield (see Tables 1-1 and 1-2).

Kurt H. Wulff, CFA

Lukoil Has Valuation Appeal

When we try to analyze the public disclosures of Russian oil giant, Lukoil, we find anomalies. The company reports large reserves, 2% of the world total it says on its website. That contributes to the lowest ratio, by far, of Enterprise Value to reserves expressed in natural gas equivalent (see column headed EV/mcfe, Table 1-3). Yet, at an unlevered cash flow multiple of 6.3 times the stock appears to be valued near the median for peers without giving credit for a long reserve life.

Ironically less than half of current cash flow appears to be from production compared to a median of about three quarters for peers (see first numerical column, Table 1-3). Crude oil consumed domestically is under price controls. Crude oil exported is under volume limitations due to pipeline constraints. Moreover the government controlled transportation system prices by weight, not quality of oil.

There are obvious concerns about how stockholders will fare in a Russia that only a few years ago was governed by communism. At the same time, democracy and capitalism are always imperfect as is regularly demonstrated here in the U.S.

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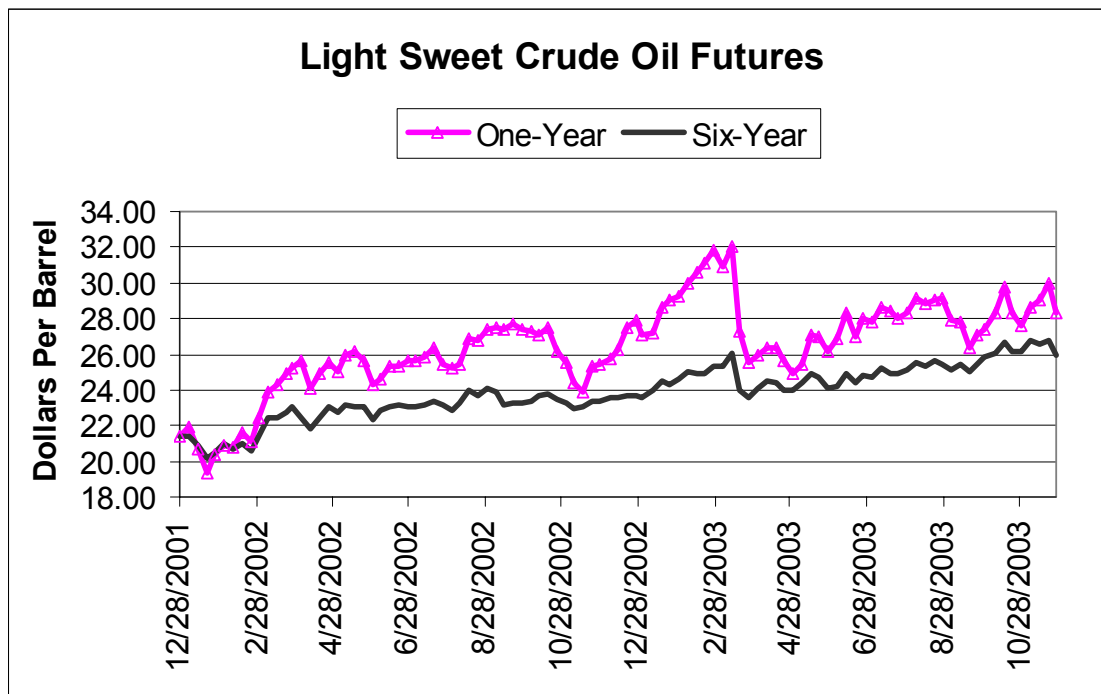
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Lukoil stock does not trade on a North American exchange. As a result intra day pricing may not be available except to professional investors.

Finally oil investing outside the U.S. has long been profitable. For that reason we have a favorable bias toward being interested in Lukoil. Yet, we need more conviction to recommend the stock formally.

Kurt H. Wulff, CFA



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

	Symbol/ Rating	Price (\$/sh) 25-Nov 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Mega Cap							
Exxon Mobil Corporation	XOM	35.82	6,652	238,000	35.00	0.10	1.02
Total S.A.	TOT	79.33	1,261	100,000	85.00	0.19	0.95
BP plc	BP	42.60	3,682	157,000	50.00	0.15	0.87
Royal Dutch/Shell	RD B	44.60	3,473	155,000	55.00	0.18	0.85
ChevronTexaco Corporation	CVX B	74.57	1,064	79,300	95.00	0.20	0.83
<i>Total or Median</i>				<i>729,000</i>		<i>0.18</i>	<i>0.87</i>
Producer/Refiners - Large Cap and Mid Cap							
Murphy Oil Corporation	MUR	58.87	93	5,460	50.00	0.24	1.13
Imperial Oil Limited (30%)	IMO	39.31	111	4,360	36.00	0.14	1.08
Petro-Canada	PCZ	42.69	265	11,310	45.00	0.14	0.96
OAo Lukoil	LUKOY	84.40	210	18,000	90.00	0.11	0.95
ENI S.p.A.	E	83.30	755	62,900	90.00	0.18	0.94
Valero Energy Corporation	VLO	43.23	120	5,180	50.00	0.45	0.93
Norsk Hydro ASA (49%)	NHY	57.41	126	7,230	65.00	0.24	0.91
Suncor Energy	SU	21.75	475	10,330	25.00	0.15	0.89
ConocoPhillips	COP B	57.22	680	38,900	70.00	0.38	0.89
Petroleo Brasileiro S. A.	PBR	24.26	1,096	26,600	30.00	0.35	0.88
Marathon Oil Corporation	MRO B	29.66	310	9,190	40.00	0.31	0.82
PetroChina Company Ltd (10%)	PTR B	36.19	176	6,360	50.00	0.11	0.75
<i>Total or Median</i>				<i>206,000</i>		<i>0.21</i>	<i>0.92</i>
Independent Natural Gas and Oil							
Pogo Producing Company	PPP	42.70	64	2,730	42.00	0.12	1.01
XTO Energy Inc.	XTO B	24.98	186	4,650	26.00	0.24	0.97
Apache Corporation	APA	71.60	162	11,600	75.00	0.23	0.97
CNOOC Limited (19%)	CEO B	37.74	78	2,950	40.00	-	0.94
Occidental Petroleum Corp.	OXY	36.60	391	14,300	40.00	0.31	0.94
Canadian Natural Resources Limited	CNQ	43.07	137	5,900	55.00	0.40	0.87
Unocal Corporation	UCL	31.64	273	8,600	40.00	0.33	0.86
Pioneer Natural Resources Company	PXD	27.47	119	3,270	35.00	0.31	0.85
Encana Corporation	ECA B	35.14	470	16,500	45.00	0.22	0.83
Burlington Resources	BR B	50.22	201	10,100	65.00	0.25	0.83
Anadarko Petroleum Corp.	APC B	44.91	251	11,300	60.00	0.31	0.83
Devon Energy	DVN	49.10	241	11,800	70.00	0.36	0.81
<i>Total or Median</i>				<i>104,000</i>		<i>0.28</i>	<i>0.86</i>
Service							
Baker Hughes Inc.	BHI	28.33	339	9,600	25.00	0.09	1.12
Schlumberger Ltd.	SLB	46.63	581	27,100	44.00	0.22	1.05
Halliburton Company	HAL	23.25	434	10,100	22.00	0.25	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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Table 1-2
Energy Producers
Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 25-Nov 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
Mega Cap							
Exxon Mobil Corporation	XOM	35.82	1.1	7.6	15	2.8	7.5
Total S.A.	TOT	79.33	1.1	7.5	15	4.4	7.9
BP plc	BP	42.60	0.8	7.2	16	3.7	8.2
Royal Dutch/Shell	RD B	44.60	1.0	6.7	16	4.6	7.9
ChevronTexaco Corporation	CVX B	74.57	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	58.87	1.6	8.5	24	1.4	7.5
Imperial Oil Limited (30%)	IMO	39.31	1.2	8.4	18	1.7	7.8
Suncor Energy	SU	21.75	2.6	7.7	15	0.7	8.6
Valero Energy Corporation	VLO	43.23	0.3	7.3	12	1.1	7.9
ConocoPhillips	COP B	57.22	0.6	6.3	10	3.0	7.1
OAOLukoil	LUKOY	84.40	1.0	6.3	13	3.0	6.6
ENI S.p.A.	E	83.30	1.4	5.5	12	5.3	5.9
Marathon Oil Corporation	MRO B	29.66	0.4	5.5	12	3.4	6.7
Petro-Canada	PCZ	42.69	1.5	4.9	16	0.7	5.1
Norsk Hydro ASA (49%)	NHY	57.41	0.9	4.8	15	2.5	5.3
Petroleo Brasileiro S. A.	PBR	24.26	1.5	4.1	5	4.2	4.7
PetroChina Company Ltd (10%)	PTR B	36.19	2.2	4.0	8	5.6	5.3
	<i>Median</i>		<i>1.3</i>	<i>5.9</i>	<i>12</i>	<i>2.8</i>	<i>6.7</i>
Independent Natural Gas and Oil							
XTO Energy Inc.	XTO B	24.98	4.7	6.4	12	0.2	6.6
CNOOC Limited (19%)	CEO B	37.74	4.7	6.1	12	4.2	6.5
Burlington Resources	BR B	50.22	3.8	5.6	14	1.2	6.7
Pioneer Natural Resources Company	PXD	27.47	4.0	5.3	15	-	6.2
Encana Corporation	ECA B	35.14	2.4	5.3	15	0.9	6.4
Anadarko Petroleum Corp.	APC B	44.91	3.6	5.2	9	1.2	6.2
Unocal Corporation	UCL	31.64	2.3	5.1	12	2.5	6.0
Apache Corporation	APA	71.60	3.5	5.1	11	0.7	5.3
Occidental Petroleum Corp.	OXY	36.60	2.3	5.1	9	2.8	5.4
Canadian Natural Resources Limited	CNQ	43.07	3.2	4.6	11	1.1	5.3
Devon Energy	DVN	49.10	2.8	4.4	8	-	5.4
Pogo Producing Company	PPP	42.70	2.8	4.1	11	0.5	4.1
	<i>Median</i>		<i>3.4</i>	<i>5.1</i>	<i>12</i>	<i>1.0</i>	<i>6.1</i>
Service							
Baker Hughes Inc.	BHI	28.33	2.0	12.1	34	1.6	10.8
Halliburton Company	HAL	23.25	1.1	9.4	21	2.2	9.0
Schlumberger Ltd.	SLB	46.63	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 December 31, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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Table 1-3
Energy Producers
Determinants of Present Value

	<i>Symbol/ Rating</i>	<i>NG & O Prod/ Ebitda (%)</i>	<i>N. Am. Gas/ Ebitda (%)</i>	<i>Adjusted Reserves/ Prod NTM</i>	<i>PV/ Ebitda NTM</i>	<i>EV/ Mcf</i>	<i>McDep Ratio 25-Nov 2003</i>
Mega Cap							
Total S.A.	TOT	80	1	9.3	7.9	1.51	0.95
Royal Dutch/Shell	RD B	73	5	9.7	7.9	1.06	0.85
BP plc	BP	81	12	10.3	8.2	1.35	0.87
ChevronTexaco Corporation	CVX B	76	11	10.5	7.1	0.85	0.83
Exxon Mobil Corporation	XOM	71	10	11.1	7.5	1.32	1.02
	<i>Median</i>	<i>76</i>	<i>10</i>	<i>10.3</i>	<i>7.9</i>	<i>1.32</i>	<i>0.87</i>
Producer/Refiners - Large Cap and Mid Cap							
Valero Energy Corporation	VLO	-	-		7.9		0.93
Petro-Canada	PCZ	82	23	7.2	5.1	1.00	0.96
Murphy Oil Corporation	MUR	93	29	7.3	7.5	3.57	1.13
Marathon Oil Corporation	MRO B	67	23	9.0	6.7	0.79	0.82
Norsk Hydro ASA (49%)	NHY	77	-	9.3	5.3	1.01	0.91
Petroleo Brasileiro S. A.	PBR	93	-	9.9	4.7	0.72	0.88
ENI S.p.A.	E	52	-	9.9	5.9	0.58	0.94
Imperial Oil Limited (30%)	IMO	72	18	10.2	7.8	1.20	1.08
ConocoPhillips	COP B	75	16	11.2	7.1	0.85	0.89
PetroChina Company Ltd (10%)	PTR B	78	-	16.0	5.3	0.51	0.75
Suncor Energy	SU	93	9	19.0	8.6	0.85	0.89
OAO Lukoil	LUKOY	41	-	20.0	6.6	0.05	0.95
	<i>Median</i>	<i>76</i>	<i>5</i>	<i>9.9</i>	<i>6.7</i>	<i>0.85</i>	<i>0.92</i>
Independent Natural Gas and Oil							
Pogo Producing Company	PPP	100	32	5.8	4.1	2.19	1.01
Canadian Natural Resources Limited	CNQ	100	47	7.2	5.3	1.27	0.87
Devon Energy	DVN	100	65	7.5	5.4	1.53	0.81
Apache Corporation	APA	100	43	8.1	5.3	1.87	0.97
Unocal Corporation	UCL	100	32	8.4	6.0	1.50	0.86
Encana Corporation	ECA B	98	69	9.0	6.4	1.13	0.83
XTO Energy Inc.	XTO B	100	87	9.5	6.6	2.05	0.97
Anadarko Petroleum Corp.	APC B	100	58	10.1	6.2	1.29	0.83
Pioneer Natural Resources Company	PXD	100	63	10.3	6.2	1.18	0.85
Burlington Resources	BR B	100	70	10.4	6.7	1.21	0.83
CNOOC Limited (19%)	CEO B	100	-	10.7	6.5	1.77	0.94
Occidental Petroleum Corp.	OXY	89	17	10.9	5.4	1.29	0.94
	<i>Median</i>	<i>100</i>	<i>53</i>	<i>9.3</i>	<i>6.1</i>	<i>1.39</i>	<i>0.86</i>

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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) 25-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	18.04	832	15,000	16.00	0.69	1.04
Southern Company	SO	29.01	696	20,200	28.00	0.43	1.02
Exelon Corporation	EXC	61.80	325	20,100	65.00	0.51	0.98
American Electric Power Co. Inc.	AEP	27.52	348	9,600	35.00	0.60	0.91
Enel S.p.a. (32%)	EN	31.06	388	12,100	37.00	0.40	0.91
Dominion Resources	D	60.73	294	17,800	76.00	0.44	0.89
	<i>Total or Median</i>			<i>94,800</i>		<i>0.47</i>	<i>0.95</i>
Mid Cap Pipeline and Power							
Kinder Morgan Energy Partners, L.P.	KMP S	44.01	140	6,170	14.00	0.46	2.16
Kinder Morgan Management, LLC	KMR S	39.29	48	1,880	14.00	0.46	1.98
Kinder Morgan, Inc.	KMI S	55.40	124	6,890	14.00	0.80	1.59
Williams Companies	WMB	9.30	518	4,820	1.00	0.97	1.26
Constellation Energy Group	CEG	36.60	164	6,000	25.00	0.61	1.18
AES Corporation	AES	8.62	558	4,810	1.00	0.98	1.15
Dynegy Inc.	DYN	3.82	418	1,600	1.00	0.97	1.09
Calpine Corporation	CPN	4.30	381	1,640	1.00	0.98	1.08
CMS Energy Corporation	CMS	7.91	139	1,100	5.00	0.93	1.04
Sempra Energy	SRE	27.86	206	5,740	30.00	0.59	0.97
El Paso Corporation	EP	6.62	589	3,900	10.00	0.79	0.93
	<i>Total or Median</i>			<i>44,550</i>		<i>0.80</i>	<i>1.15</i>
Small Cap Pipeline							
Enterprise Products Part (44%)	EPD	23.46	96	2,250	8.50	0.49	1.91
Enbridge Energy Partners, L.P.	EEP S	51.42	39	2,010	19.00	0.57	1.74
Gulfterra Energy Partners	GTM S	40.31	66	2,650	17.30	0.48	1.69
Enbridge Energy Management, L.L.C	EEQ S	47.31	10	470	19.00	0.57	1.64
Plains All Amer. Pipeline, L.P.	PAA	31.05	50	1,550	15.00	0.44	1.60
TEPPCO Partners, L.P.	TPP	39.25	58	2,280	18.00	0.52	1.57
Magellan Midstream Partners, L.P.	MMP	53.66	27	1,460	29.00	0.38	1.52
Northern Border Partners	NBP	37.70	47	1,750	20.00	0.62	1.34
AmeriGas Partners, L.P.	APU	26.90	52	1,410	20.00	0.46	1.19
Western Gas Resources	WGR	43.87	37	1,620	40.00	0.27	1.07
	<i>Total or Median</i>			<i>17,450</i>		<i>0.48</i>	<i>1.58</i>

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

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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) 25-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	17.75	27.0	480	13.00	-	1.36	
Southwestern Energy Company	SWN	20.00	36.0	720	17.00	0.30	1.12	
Spinnaker Exploration Company	SKE	25.95	33.8	880	25.00	-	1.04	
Newfield Exploration Company	NFX	40.55	51.7	2,100	40.00	0.31	1.01	
Energy Partners Ltd.	EPL	B	11.80	38.2	451	12.00	0.22	0.99
Chesapeake Energy Corporation	CHK	12.05	220	2,650	14.00	0.38	0.91	
Westport Resources Corporation	WRC	26.26	68.0	1,790	30.00	0.29	0.91	
Denbury Resources Inc.	DNR	12.51	55.0	690	15.00	0.29	0.88	
Stone Energy Company	SGY	37.27	26.5	990	46.00	0.27	0.86	
Cimarex Energy Company	XEC	B	23.10	42.0	970	27.00	0.00	0.86
Forest Oil Corporation	FST	25.10	48.2	1,210	35.00	0.33	0.81	
The Houston Exploraton Company	THX	34.59	31.0	1,070	45.00	0.16	0.81	
St. Mary Land and Exploration Company	SM	25.40	29.0	740	35.00	0.14	0.76	
<i>Total or Median</i>				<i>14,700</i>		<i>0.27</i>	<i>0.91</i>	
Long Life								
Ultra Petroleum Corp.	UPL	18.86	78.0	1,470	7.00	0.15	2.45	
Unit Corporation	UNT	20.69	43.6	900	18.00	0.04	1.14	
Quicksilver Resources Inc.	KWK	29.61	20.4	600	25.00	0.35	1.12	
Penn Virginia Corporation	PVA	46.66	9.0	420	45.00	0.06	1.03	
Swift Energy Company	SFY	14.14	27.2	390	16.00	0.43	0.93	
Evergreen Resources, Inc.	EVG	27.65	44.0	1,220	30.00	0.10	0.93	
Magnum Hunter Resources, Inc.	MHR	9.00	69.0	620	11.00	0.45	0.90	
Encore Acquisition Corp. (40%)	EAC	B	20.37	11.2	228	24.00	0.18	0.88
Vintage Petroleum, Inc.	VPI	10.44	63.0	660	20.00	0.40	0.72	
<i>Total or Median</i>				<i>6,500</i>		<i>0.18</i>	<i>0.93</i>	
Canadian Royalty Trusts								
Enerplus Resources Fund	ERF	27.54	83.7	2,310	20.00	0.16	1.32	
Provident Energy Trust	PVX	8.33	68.8	570	6.00	0.25	1.29	
Pengrowth Energy Trust	PGH	14.52	112.0	1,630	11.00	0.20	1.26	
Canadian Oil Sands Trust (US\$)	COSWF	B	31.63	86.3	2,730	45.00	0.22	0.77
<i>Total or Median</i>				<i>7,200</i>		<i>0.21</i>	<i>1.27</i>	
Natural Gas Royalty Trusts								
Hugoton Royalty Trust (46%)	HGT	21.15	18.4	390	15.60	-	1.36	
Cross Timbers Royalty Trust	CRT	26.80	6.0	161	20.20	-	1.33	
Sabine Royalty Trust	SBR	27.91	14.6	410	22.00	-	1.27	
Permian Basin RT (41%)	PBT	8.16	19.1	160	6.50	-	1.26	
San Juan Basin Royalty Trust	SJT	B	19.41	46.6	910	18.30	-	1.06
<i>Total or Median</i>				<i>2,000</i>		<i>-</i>	<i>1.27</i>	
Micro Cap								
Abraxas Petroleum Corporation	ABP	0.99	30.0	30	1.00	0.85	1.00	
Purcell Energy, Ltd. (US\$)	PEL.TO	1.98	27.9	55	2.80	0.32	0.80	

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

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Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 25-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	17.75	11.6	13.4	48	7.5	9.8	
Southwestern Energy Company	SWN	20.00	3.3	6.7	14	-	6.0	
Chesapeake Energy Corporation	CHK	12.05	4.1	5.9	14	1.0	6.5	
Forest Oil Corporation	FST	25.10	3.6	5.8	19	-	7.2	
Westport Resources Corporation	WRC	26.26	3.9	5.4	17	-	6.0	
Energy Partners Ltd.	EPL	B	11.80	2.8	4.9	43	-	4.9
Cimarex Energy Company	XEC	B	23.10	3.3	4.3	12	-	5.1
Denbury Resources Inc.	DNR		12.51	3.0	4.2	9	-	4.8
St. Mary Land and Exploration Company	SM		25.40	2.7	4.2	14	0.4	5.5
Spinnaker Exploration Company	SKE		25.95	3.4	3.9	14	-	3.7
Stone Energy Company	SGY		37.27	2.9	3.9	8	-	4.5
Newfield Exploration Company	NFX		40.55	2.9	3.8	8	-	3.8
The Houston Exploraton Company	THX		34.59	2.8	3.4	9	-	4.3
	<i>Median</i>			3.3	4.3	14	-	5.1
Long Life								
Ultra Petroleum Corp.	UPL		18.86	16.1	26.0	51	-	10.6
Evergreen Resources, Inc.	EVG		27.65	7.0	10.0	17	-	10.8
Unit Corporation	UNT		20.69	3.8	8.7	22	-	7.6
Quicksilver Resources Inc.	KWK		29.61	5.3	7.9	16	-	7.0
Swift Energy Company	SFY		14.14	4.2	6.4	21	-	6.9
Magnum Hunter Resources, Inc.	MHR		9.00	3.5	6.0	16	-	6.6
Penn Virginia Corporation	PVA		46.66	3.1	5.8	15	1.9	5.6
Encore Acquisition Corp. (40%)	EAC	B	20.37	3.2	4.6	9	-	5.2
Vintage Petroleum, Inc.	VPI		10.44	2.3	4.2	25	1.5	5.9
	<i>Median</i>			3.8	6.4	17	-	6.9
Canadian Royalty Trusts								
Enerplus Resources Fund	ERF		27.54	7.1	9.6	14	11.6	7.3
Canadian Oil Sands Trust (US\$)	COSWF	B	31.63	4.2	8.3	9	4.8	10.9
Pengrowth Energy Trust	PGH		14.52	5.1	7.4	14	12.3	5.9
Provident Energy Trust	PVX		8.33	4.2	6.0	13	15.6	4.7
Natural Gas Royalty Trusts								
Cross Timbers Royalty Trust	CRT		26.80	9.1	13.1	13	7.5	9.9
Sabine Royalty Trust	SBR		27.91	10.7	11.1	11	9.0	8.8
Permian Basin RT (41%)	PBT		8.16	7.6	11.0	13	9.2	8.7
Hugoton RoyaltyTrust (46%)	HGT		21.15	7.7	10.6	13	7.5	7.8
San Juan Basin Royalty Trust	SJT	B	19.41	7.1	8.8	11	9.4	8.3
Micro Cap								
Abraxas Petroleum Corporation	ABP		0.99	6.8	12.6		-	12.6
Purcell Energy, Ltd. (US\$)	PEL.TO		1.98	3.6	5.4	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

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