

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

August 2, 2004

Merge *Energy Income* into *Meter Reader*

Summary and Recommendation

The meters read “opportunity” as we combine the weekly *Meter Reader* with the weekly *Energy Income* analysis that no longer appears separately. The six-year futures meter continues to register new highs in a well-defined trend gaining credibility while widely disbelieved. The one-year futures meter points to rising estimates of next twelve months cash flow and earnings despite consensus to the contrary. The needle on the McDep Ratio meter points to relative values that may suggest added reward in recommended stocks.

Energy Income* Reabsorbed by *Meter Reader

Modifying the format of our research to more single stock analyses was necessary to qualify McDep Associates as an Independent Research Provider to the investor clients of Wall Street Investment Banks. As a result we are committed to ongoing single stock analysis for up to 31 rated stocks. The actual stocks selected by Independent Consultants are likely to change from time to time.

The shift in emphasis has the practical effect of reducing single stock commentary in our weekly analyses. That leaves industry commentary and relative valuation analysis that we will now combine in one weekly publication rather than two.

Meters for Commodity Price Trends

The explanation that follows is a bit technical. It does not blame the failure of common inventory analysis on a “security premium” in oil price. Oil price changes reflect longer term economic, monetary, environmental, and political factors as well as security. Nor do we whine that oil is a “tax” on the population. That is no more the case than for any other price increase. Moreover, higher price has the positive impact of encouraging more supply and more efficient consumption. Nonetheless, we are approaching the point where we become more concerned about a more unfavorable stock market reaction.

Our unique gauge of the pulse of resource valuation is six-year futures for oil and natural gas. Strictly speaking the measures are not quite perfected which may be one reason why our interpretation is unique. Thanks to the website of the New York Mercantile Exchange (Nymex) we can see quotes for natural gas for every month through March 2010. Beginning this week we need quotes through August 2010 for our average of the next 72 months to be thoroughly supported. We assume that April 2010 through August

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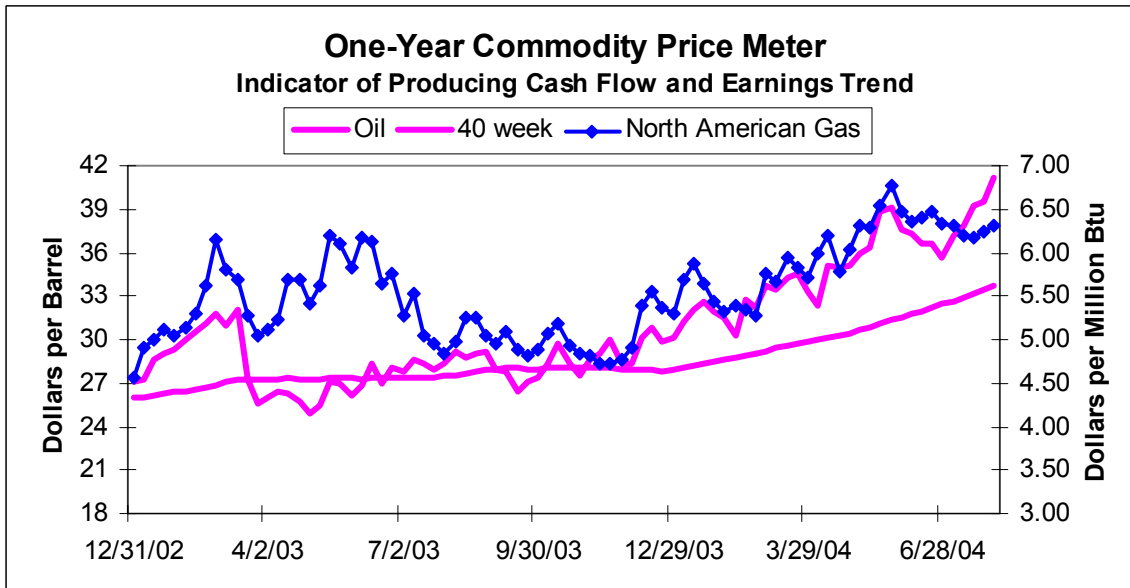
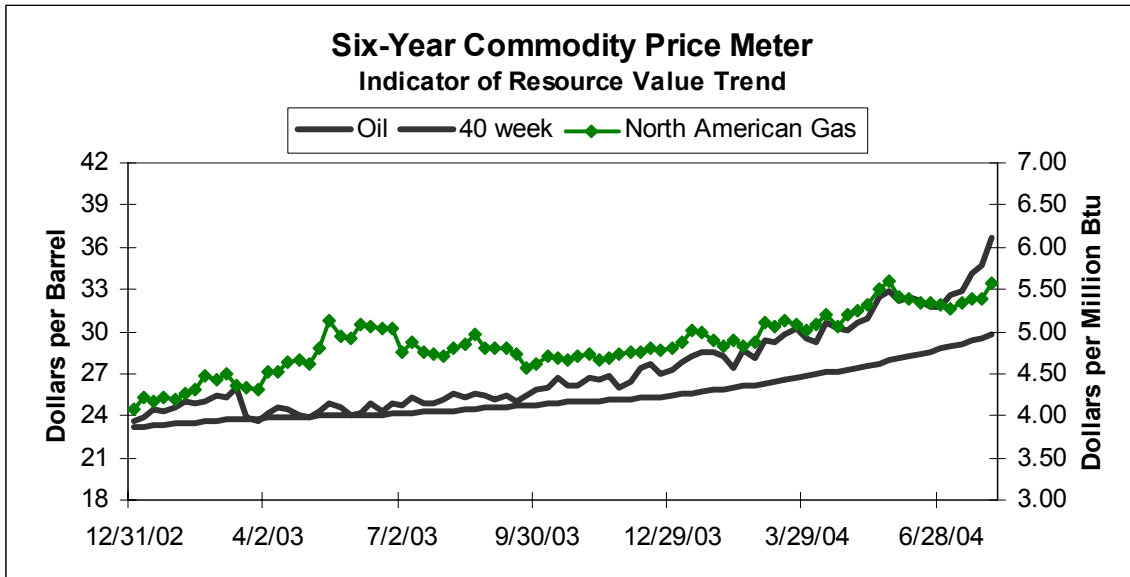
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2010 have the same monthly price as March 2010. Oil futures are quoted only for December for the years 2007 through 2010. We interpolate for the intervening months to come up with a 72-month average (see Six-Year Commodity Price Meter).

Our gauge of one-year outlook is not unique as the “strip” for oil and gas is widely used (see One-Year Commodity Price Meter). Our use of one-year futures for estimating next twelve months cash flow and earnings is more unusual. For those who may want to see the numbers in our interpretation we reprint the details for recent weeks (see chart with data table).

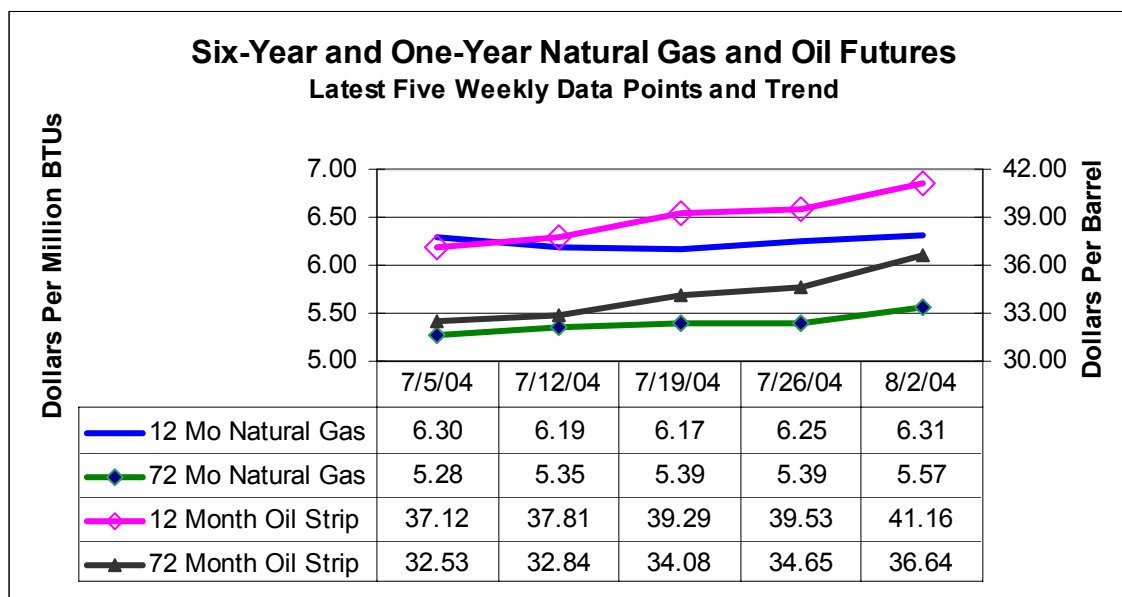


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Our third important industry gauge is the one-year refining crack. Again our calculation is sometimes unique as not all the quotes are always public. While combining products and crude on the 3-2-1 basis is common, there are other combinations in use. The three refers to crude oil for which 12 months of quotes are readily available. The two is for unleaded gasoline which is only quoted through March 2005 currently. By setting April 2005 though August 2005 equal to March 2005 we introduce some distortion unavoidably. The one is for heating oil for which quotes are readily available through August 2005. The 3-2-1 combination is two-thirds times the gasoline price plus one-third times the heating oil price minus the crude oil price. The one-year refining crack is the monthly average for the next twelve months (see One-Year Refining Crack Meter).

Meter for Relative Valuation

As should be readily apparent, the original meter to read in the weekly publication is the ranking of stocks by the McDep Ratio. The ranking adds nuance to buy and sell ratings also recapped in the tables. In all, 65 stocks are ranked in five groups. Mega cap, producer/refiners, and large cap producers appear in the same set of tables as previously (see Table 1-1 and 1-2). Small cap producers (short life and long life) now appear together with income (MLPs, Canadian royalty trusts, and U.S. royalty trusts) in a newly composed set of tables (see Tables 2-1, 2-2).

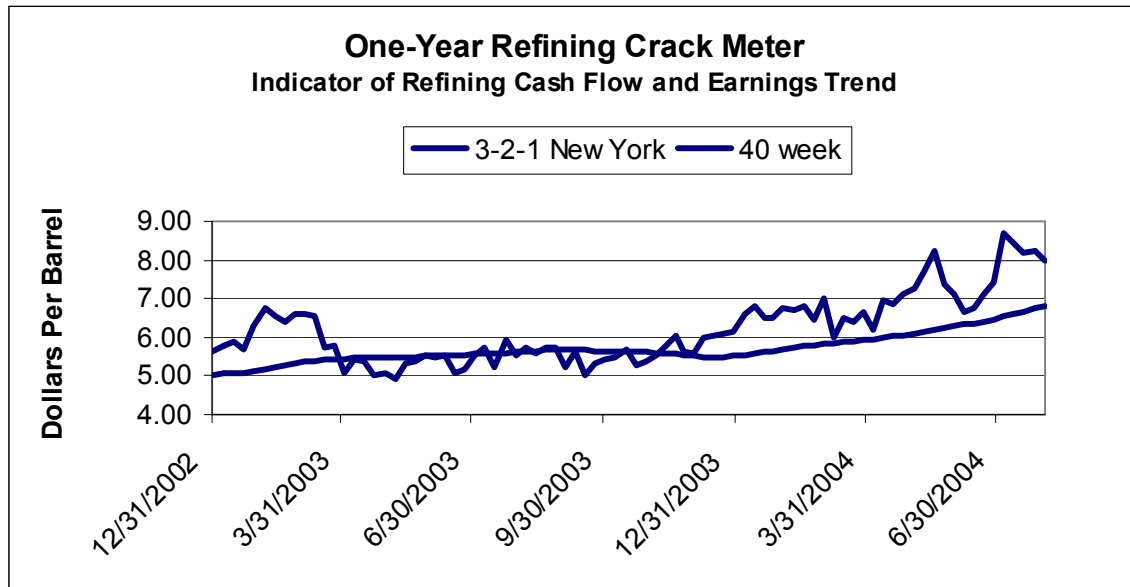
Kurt H. Wulff, CFA

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August 2, 2004

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

| | Symbol/ Rating | | Price (\$/sh) 2-Aug 2004 | Shares (mm) | Market Cap (\$mm) | Net Present Value (\$/sh) | Debt/ Present Value | McDep Ratio |
|--|-------------------|----|-----------------------------------|----------------|-------------------------|------------------------------------|---------------------------|----------------|
| Mega Cap | | | | | | | | |
| Exxon Mobil Corporation | XOM | B3 | 46.25 | 6,582 | 304,000 | 43.00 | 0.09 | 1.07 |
| BP plc | BP | B3 | 56.28 | 3,681 | 207,000 | 60.00 | 0.13 | 0.95 |
| Shell Transport and Trading Co. plc | SC | B3 | 44.22 | 1,587 | 70,000 | 51.20 | 0.17 | 0.89 |
| Total S.A. | TOT | B3 | 96.81 | 1,246 | 120,600 | 113.00 | 0.16 | 0.88 |
| Royal Dutch Petroleum | RD | B1 | 50.11 | 2,031 | 102,000 | 60.00 | 0.17 | 0.86 |
| ChevronTexaco Corporation | CVX | B1 | 96.48 | 1,066 | 102,800 | 125.00 | 0.14 | 0.80 |
| | | | | | <i>Total or Median</i> | <i>906,000</i> | <i>0.15</i> | <i>0.88</i> |
| Producer/Refiners - Large Cap and Mid Cap | | | | | | | | |
| Kinder Morgan, Inc. | KMI | S2 | 60.35 | 125 | 7,540 | 20.00 | 0.73 | 1.54 |
| Valero Energy Corporation | VLO | | 74.45 | 121 | 8,980 | 55.00 | 0.43 | 1.20 |
| Murphy Oil Corporation | MUR | | 77.16 | 93 | 7,160 | 62.00 | 0.20 | 1.19 |
| Imperial Oil Limited (30%) | IMO | B3 | 49.22 | 109 | 5,350 | 52.00 | 0.10 | 0.95 |
| Marathon Oil Corporation | MRO | B3 | 37.65 | 346 | 13,030 | 41.00 | 0.30 | 0.94 |
| Suncor Energy | SU | B3 | 29.74 | 465 | 13,830 | 38.00 | 0.14 | 0.81 |
| ConocoPhillips | COP | B1 | 78.91 | 688 | 54,300 | 110.00 | 0.27 | 0.79 |
| Petro-Canada | PCZ | B3 | 46.80 | 266 | 12,450 | 68.00 | 0.11 | 0.72 |
| ENI S.p.A. | E | | 102.30 | 755 | 77,300 | 150.00 | 0.12 | 0.72 |
| Petroleo Brasileiro S. A. | PBR | | 27.99 | 1,096 | 30,700 | 50.00 | 0.28 | 0.68 |
| PetroChina Company Ltd (10%) | PTR | B2 | 50.40 | 176 | 8,860 | 88.00 | 0.07 | 0.60 |
| Norsk Hydro ASA | NHY | B1 | 63.64 | 256 | 16,270 | 120.00 | 0.12 | 0.59 |
| Lukoil Oil Company | LUKOY | B2 | 109.25 | 210 | 23,000 | 208.00 | 0.05 | 0.55 |
| | | | | | <i>Total or Median</i> | <i>279,000</i> | <i>0.14</i> | <i>0.79</i> |
| Independent Natural Gas and Oil | | | | | | | | |
| CNOOC Limited (19%) | CEO | B2 | 48.87 | 78 | 3,820 | 55.00 | - | 0.89 |
| Canadian Natural Resources Limited | CNQ | | 34.40 | 271 | 9,330 | 44.00 | 0.30 | 0.85 |
| XTO Energy Inc. | XTO | B1 | 30.09 | 271 | 8,150 | 38.00 | 0.21 | 0.84 |
| Encana Corporation | ECA | B1 | 44.47 | 471 | 20,900 | 63.00 | 0.25 | 0.78 |
| Unocal Corporation | UCL | B3 | 37.05 | 276 | 10,200 | 54.00 | 0.26 | 0.77 |
| Apache Corporation | APA | | 46.33 | 324 | 15,000 | 64.00 | 0.15 | 0.76 |
| Occidental Petroleum Corp. | OXY | B3 | 49.40 | 397 | 19,600 | 75.00 | 0.19 | 0.72 |
| Devon Energy | DVN | B3 | 69.70 | 247 | 17,200 | 110.00 | 0.24 | 0.72 |
| Anadarko Petroleum Corp. | APC | B1 | 59.50 | 254 | 15,100 | 94.00 | 0.21 | 0.71 |
| Burlington Resources | BR | B1 | 38.28 | 397 | 15,200 | 58.00 | 0.14 | 0.71 |
| Pioneer Natural Resources Company | PXD | | 35.26 | 119 | 4,200 | 57.00 | 0.22 | 0.70 |
| Pogo Producing Company | PPP | | 43.91 | 64 | 2,810 | 70.00 | 0.07 | 0.65 |
| | | | | | <i>Total or Median</i> | <i>142,000</i> | <i>0.21</i> | <i>0.74</i> |

B1 = Buy full unlevered position, B2 = Buy half unlevered position, B3 = Alternative buy

S2 = Short half unlevered position

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

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A Weekly Analysis of Energy Stocks Using the McDep Ratio

August 2, 2004

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

| | Symbol/ Rating | Price (\$/sh) 2-Aug 2004 | EV/ Sales NTM | EV/ Ebitda NTM | P/E NTM | Divd or Distrib NTM (%) | PV/ Ebitda NTM |
|--|-------------------|-----------------------------------|---------------------|----------------------|------------|----------------------------------|----------------------|
| Mega Cap | | | | | | | |
| Exxon Mobil Corporation | XOM B3 | 46.25 | 1.2 | 7.0 | 13 | 2.2 | 6.6 |
| BP plc | BP B3 | 56.28 | 0.8 | 5.6 | 10 | 2.9 | 5.9 |
| Total S.A. | TOT B3 | 96.81 | 1.1 | 5.6 | 9 | 2.9 | 6.3 |
| Shell Transport and Trading Co. plc | SC B3 | 44.22 | 0.9 | 5.2 | 10 | 4.1 | 5.9 |
| Royal Dutch Petroleum | RD B1 | 50.11 | 0.8 | 5.1 | 10 | 4.3 | 5.9 |
| ChevronTexaco Corporation | CVX B1 | 96.48 | 0.9 | 5.0 | 8 | 3.3 | 6.2 |
| | <i>Median</i> | | <i>0.9</i> | <i>5.4</i> | <i>10</i> | <i>3.1</i> | <i>6.1</i> |
| Producer/Refiners - Large Cap and Mid Cap | | | | | | | |
| Kinder Morgan, Inc. | KMI S2 | 60.35 | 3.0 | 12.4 | 15 | 3.7 | 8.0 |
| Suncor Energy | SU B3 | 29.74 | 2.9 | 9.0 | 18 | 0.6 | 11.0 |
| Murphy Oil Corporation | MUR | 77.16 | 1.4 | 7.3 | 15 | 1.0 | 6.1 |
| Imperial Oil Limited (30%) | IMO B3 | 49.22 | 1.3 | 6.0 | 10 | 1.4 | 6.3 |
| Valero Energy Corporation | VLO | 74.45 | 0.4 | 5.7 | 8 | 0.6 | 4.8 |
| Marathon Oil Corporation | MRO B3 | 37.65 | 0.4 | 5.5 | 11 | 2.7 | 5.8 |
| ConocoPhillips | COP B1 | 78.91 | 0.7 | 4.7 | 7 | 2.2 | 6.0 |
| ENI S.p.A. | E | 102.30 | 1.5 | 4.3 | 8 | 4.5 | 5.9 |
| Petroleo Brasileiro S. A. | PBR | 27.99 | 1.5 | 4.0 | 5 | 2.7 | 5.9 |
| PetroChina Company Ltd (10%) | PTR B2 | 50.40 | 2.1 | 3.9 | 7 | 4.3 | 6.5 |
| Petro-Canada | PCZ B3 | 46.80 | 1.3 | 3.5 | 7 | 1.0 | 4.8 |
| Norsk Hydro ASA | NHY B1 | 63.64 | 1.0 | 3.5 | 7 | 2.5 | 5.9 |
| Lukoil Oil Company | LUKOY B2 | 109.25 | 0.9 | 2.5 | 4 | 2.3 | 4.5 |
| | <i>Median</i> | | <i>1.3</i> | <i>4.7</i> | <i>8</i> | <i>2.3</i> | <i>5.9</i> |
| Independent Natural Gas and Oil | | | | | | | |
| CNOOC Limited (19%) | CEO B2 | 48.87 | 4.8 | 6.2 | 12 | 3.3 | 7.0 |
| XTO Energy Inc. | XTO B1 | 30.09 | 4.9 | 6.2 | 13 | 0.1 | 7.4 |
| Pioneer Natural Resources Company | PXD | 35.26 | 3.6 | 5.2 | 17 | - | 7.4 |
| Burlington Resources | BR B1 | 38.28 | 3.5 | 4.9 | 10 | 0.9 | 6.9 |
| Occidental Petroleum Corp. | OXY B3 | 49.40 | 2.4 | 4.9 | 8 | 2.2 | 6.7 |
| Encana Corporation | ECA B1 | 44.47 | 2.6 | 4.7 | 10 | 0.9 | 6.0 |
| Anadarko Petroleum Corp. | APC B1 | 59.50 | 3.4 | 4.7 | 9 | 0.9 | 6.6 |
| Unocal Corporation | UCL B3 | 37.05 | 1.9 | 4.6 | 8 | 2.2 | 6.0 |
| Apache Corporation | APA | 46.33 | 3.3 | 4.6 | 8 | 0.5 | 6.0 |
| Canadian Natural Resources Limited | CNQ | 34.40 | 2.9 | 4.4 | 8 | 0.9 | 5.2 |
| Devon Energy | DVN B3 | 69.70 | 3.1 | 3.8 | 6 | 0.6 | 5.2 |
| Pogo Producing Company | PPP | 43.91 | 2.2 | 3.1 | 6 | 0.5 | 4.7 |
| | <i>Median</i> | | <i>3.2</i> | <i>4.7</i> | <i>9</i> | <i>0.9</i> | <i>6.3</i> |

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2005; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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Table 2-1
Energy Producers - Small Cap
Rank by McDep Ratio: Market Cap and Debt to Present Value

| | Symbol/ Rating | Price (\$/sh) 2-Aug 2004 | Shares (mm) | Market Cap (\$mm) | Net Present Value (\$/sh) | Debt/ Present Value | McDep Ratio | |
|--|-------------------|-----------------------------------|----------------|-------------------------|------------------------------------|---------------------------|----------------|------|
| Short Life | | | | | | | | |
| Western Gas Resources | WGR | 34.20 | 74.0 | 2,530 | 25.00 | 0.17 | 1.31 | |
| Unit Corporation | UNT | 32.52 | 44.1 | 1,430 | 25.00 | 0.01 | 1.30 | |
| Southwestern Energy Company | SWN | 32.75 | 36.0 | 1,180 | 29.00 | 0.22 | 1.10 | |
| Penn West Petroleum Ltd. (US\$) | PWT.TO | 50.31 | 54.7 | 2,750 | 57.00 | 0.21 | 0.91 | |
| Denbury Resources Inc. | DNR | 21.46 | 55.7 | 1,200 | 25.00 | 0.21 | 0.89 | |
| Cimarex Energy Company | XEC | B2 | 32.40 | 42.6 | 1,380 | 38.00 | 0.00 | 0.85 |
| PetroKazakhstan Inc. | PKZ | 32.73 | 80.7 | 2,640 | 42.00 | 0.01 | 0.78 | |
| Range Resources Corporation | RRC | 16.78 | 57.0 | 960 | 24.00 | 0.26 | 0.78 | |
| Purcell Energy, Ltd. (US\$) | PEL.TO | 1.89 | 62.0 | 117 | 2.80 | 0.27 | 0.76 | |
| Energy Partners Ltd. | EPL | B3 | 15.39 | 37.7 | 580 | 22.00 | 0.14 | 0.74 |
| Chesapeake Energy Corporation | CHK | 15.21 | 220 | 3,350 | 24.00 | 0.29 | 0.74 | |
| St. Mary Land and Exploration Company | SM | 34.52 | 29.0 | 1,000 | 50.00 | 0.10 | 0.72 | |
| Forest Oil Corporation | FST | 28.00 | 53.5 | 1,500 | 53.00 | 0.25 | 0.64 | |
| <i>Total or Median</i> | | | | 20,600 | | 0.21 | 0.78 | |
| Long Life | | | | | | | | |
| Ultra Petroleum Corp. | UPL | 44.93 | 78.0 | 3,510 | 25.00 | 0.06 | 1.75 | |
| Quicksilver Resources Inc. | KWK | 31.50 | 50.4 | 1,590 | 25.00 | 0.19 | 1.21 | |
| Abraxas Petroleum Corporation | ABP | 1.26 | 35.8 | 45 | 1.50 | 0.77 | 0.96 | |
| Swift Energy Company | SFY | 22.64 | 27.4 | 620 | 32.00 | 0.29 | 0.79 | |
| Berry Petroleum Company | BRY | B2 | 30.59 | 22.3 | 682 | 43.00 | 0.07 | 0.73 |
| Encore Acquisition Company | EAC | B2 | 29.52 | 30.6 | 902 | 47.00 | 0.18 | 0.70 |
| Whiting Petroleum Corporation | WLL | 24.00 | 18.8 | 450 | 40.00 | 0.21 | 0.68 | |
| Vintage Petroleum, Inc. | VPI | 16.48 | 63.0 | 1,040 | 33.00 | 0.28 | 0.64 | |
| <i>Total or Median</i> | | | | 8,800 | | 0.20 | 0.76 | |
| Master Limited Partnerships and Canadian Royalty Trusts | | | | | | | | |
| Kinder Morgan Energy Partners, L.P. | KMP | S2 | 43.51 | 145.0 | 6,309 | 15.00 | 0.49 | 1.97 |
| Kinder Morgan Management, LLC | KMR | S2 | 37.80 | 52.5 | 1,984 | 15.00 | 0.49 | 1.78 |
| Provident Energy Trust | PVX | 7.90 | 88.0 | 695 | 6.20 | 0.34 | 1.18 | |
| Dorchester Minerals, L.P. | DMLP | 19.24 | 27.0 | 520 | 17.00 | - | 1.13 | |
| NAV Energy Trust (US\$) | NVG.UN | 8.04 | 19.0 | 153 | 7.00 | 0.18 | 1.12 | |
| Pengrowth Energy Trust | PGH | 14.95 | 125.0 | 1,869 | 14.00 | 0.14 | 1.06 | |
| Enerplus Resources Fund | ERF | 29.63 | 90.4 | 2,679 | 28.00 | 0.13 | 1.05 | |
| Canadian Oil Sands Trust (US\$) | COSWF | B1 | 37.33 | 86.9 | 3,240 | 62.00 | 0.21 | 0.69 |
| <i>Total or Median</i> | | | | 17,400 | | 0.20 | 1.13 | |
| U.S. Royalty Trusts | | | | | | | | |
| Sabine Royalty Trust | SBR | 38.96 | 14.6 | 568 | 27.00 | - | 1.44 | |
| Permian Basin RT (41%) | PBT | 10.95 | 19.1 | 209 | 7.70 | - | 1.42 | |
| San Juan Basin Royalty Trust | SJT | H | 28.29 | 46.6 | 1,319 | 22.00 | - | 1.29 |
| Hugoton Royalty Trust (46%) | HGT | 25.61 | 18.4 | 471 | 22.00 | - | 1.16 | |
| Cross Timbers Royalty Trust | CRT | 30.85 | 6.0 | 185 | 30.00 | - | 1.03 | |
| <i>Total or Median</i> | | | | 2,800 | | | 1.29 | |

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

Buy/Sell rating after symbol: B1 - Buy full unlevered position, B2 - Buy half unlevered position

S2 - Short quarter unlevered position, H - Hold (neutral)

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

| | | Price (\$/sh) | EV/ Sales | EV/ Ebitda | P/E | Divd or Distrib NTM (%) | PV/ Ebitda NTM | |
|--|---------------|------------------|--------------|---------------|------|----------------------------------|----------------------|------|
| Symbol/ Rating | | 2-Aug 2004 | NTM | NTM | NTM | | | |
| Short Life | | | | | | | | |
| Western Gas Resources | WGR | 34.20 | 1.1 | 11.7 | 25 | - | 9.0 | |
| Unit Corporation | UNT | 32.52 | 4.1 | 9.5 | 23 | - | 7.3 | |
| Southwestern Energy Company | SWN | 32.75 | 4.1 | 7.1 | 14 | - | 6.4 | |
| Purcell Energy, Ltd. (US\$) | PEL.TO | 1.89 | 4.1 | 5.7 | 13 | - | 7.4 | |
| Range Resources Corporation | RRC | 16.78 | 4.3 | 5.6 | 11 | 0.2 | 7.2 | |
| Denbury Resources Inc. | DNR | 21.46 | 3.5 | 5.2 | 10 | - | 5.9 | |
| Penn West Petroleum Ltd. (US\$) | PWT.TO | 50.31 | 3.8 | 5.2 | 11 | 0.8 | 5.7 | |
| Chesapeake Energy Corporation | CHK | 15.21 | 3.3 | 4.6 | 9 | 0.8 | 6.2 | |
| Forest Oil Corporation | FST | 28.00 | 2.9 | 3.9 | 17 | - | 6.1 | |
| St. Mary Land and Exploration Company | SM | 34.52 | 2.7 | 3.9 | 9 | 0.3 | 5.4 | |
| Cimarex Energy Company | XEC | B2 | 32.40 | 2.9 | 3.7 | 8 | - | 4.4 |
| Energy Partners Ltd. | EPL | B3 | 15.39 | 2.5 | 3.5 | 11 | - | 4.7 |
| PetroKazakhstan Inc. | PKZ | | 32.73 | 1.9 | 3.3 | 6 | - | 4.2 |
| | <i>Median</i> | | | 3.3 | 5.2 | 11 | - | 6.1 |
| Long Life | | | | | | | | |
| Ultra Petroleum Corp. | UPL | | 44.93 | 14.8 | 19.1 | 31 | - | 10.9 |
| Quicksilver Resources Inc. | KWK | | 31.50 | 8.9 | 13.4 | 27 | - | 11.1 |
| Abraxas Petroleum Corporation | ABP | | 1.26 | 6.3 | 9.3 | | - | 9.7 |
| Swift Energy Company | SFY | | 22.64 | 3.9 | 5.6 | 12 | - | 7.1 |
| Encore Acquisition Company | EAC | B2 | 29.52 | 3.9 | 5.3 | 11 | - | 7.6 |
| Berry Petroleum Company | BRY | B2 | 30.59 | 3.3 | 5.3 | 10 | 1.4 | 7.2 |
| Whiting Petroleum Corporation | WLL | | 24.00 | 3.2 | 4.9 | 9 | - | 7.1 |
| Vintage Petroleum, Inc. | VPI | | 16.48 | 2.2 | 3.7 | 7 | 1.1 | 5.7 |
| | <i>Median</i> | | | 3.9 | 5.5 | 11 | - | 7.4 |
| Master Limited Partnerships and Canadian Royalty Trusts | | | | | | | | |
| Kinder Morgan Energy Partners, L.P. | KMP | | 43.51 | 2.9 | 15.8 | 18 | 4.8 | 8.0 |
| Kinder Morgan Management, LLC | KMR | | 37.80 | 2.6 | 14.2 | 15 | 5.5 | 8.0 |
| Dorchester Minerals, L.P. | DMLP | | 19.24 | 9.5 | 10.3 | 19 | 9.7 | 9.1 |
| Enerplus Resources Fund | ERF | | 29.63 | 4.9 | 7.1 | 14 | 10.8 | 6.7 |
| Canadian Oil Sands Trust (US\$) | COSWF | B1 | 37.33 | 3.8 | 6.1 | 8 | 4.0 | 8.9 |
| Provident Energy Trust | PVX | | 7.90 | 4.6 | 5.8 | 19 | 13.8 | 4.9 |
| Pengrowth Energy Trust | PGH | | 14.95 | 4.3 | 5.7 | 11 | 12.8 | 5.4 |
| NAV Energy Trust (US\$) | NVG.UN | | 8.04 | 2.6 | 4.3 | 12 | 17.0 | 3.9 |
| | <i>Median</i> | | | 4.0 | 6.6 | 15 | 10.2 | 7.4 |
| U.S. Royalty Trusts | | | | | | | | |
| Sabine Royalty Trust | SBR | | 38.96 | 12.5 | 13.0 | 13 | 7.7 | 9.0 |
| Cross Timbers Royalty Trust | CRT | | 30.85 | 8.4 | 11.6 | 12 | 8.5 | 11.2 |
| Permian Basin RT (41%) | PBT | | 10.95 | 7.6 | 10.3 | 11 | 6.8 | 7.2 |
| San Juan Basin Royalty Trust | SJT | H | 28.29 | 8.0 | 9.7 | 11 | 9.1 | 7.5 |
| Hugoton RoyaltyTrust (46%) | HGT | | 25.61 | 6.9 | 8.9 | 10 | 9.6 | 7.7 |
| | <i>Median</i> | | | 8.0 | 10.3 | 11 | 8.5 | 7.7 |

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2005; 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 trade a subject stock within a week before or after a change in rating.