

Rating: Buy
S&P 500: 1495

Canadian Oil Sands Trust Distribution Raised 33%

<i>Symbol</i>	COSWF	<i>Ebitda Next Twelve Months ending 3/31/08 (US\$mm)</i>	1,580
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	-10
<i>Price (US\$/un)</i>	27.07	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	4/25/07	<i>Adjusted Reserves/Production NTM</i>	22.7
<i>Units (mm)</i>	479	<i>EV/Ebitda</i>	9.1
<i>Market Capitalization (US\$mm)</i>	12,970	<i>PV/Ebitda</i>	11.5
<i>Debt (US\$mm)</i>	1,490	<i>Undeveloped Reserves (%)</i>	0
<i>Enterprise Value (EV) (US\$mm)</i>	14,450	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	35.86
<i>Present Value (PV) (US\$mm)</i>	18,300	<i>Present Value Proven Reserves(US\$/boe)</i>	21.43
<i>Net Present Value (US\$/unit)</i>	35	<i>Present Value Proven Reserves(US\$/mcf)</i>	3.57
<i>Debt/Present Value</i>	0.08	<i>Earnings Next Twelve Months (US\$/un)</i>	2.23
<i>McDep Ratio - EV/PV</i>	0.79	<i>Price/Earnings Next Twelve Months</i>	12
<i>Distribution Yield (%/year)</i>	6.3	<i>Distribution Next Twelve Months (US\$/sh)</i>	1.70

Note: Estimated cash flow and earnings tied to one-year futures prices for oil.

Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.

Estimated present value presumes a long-term price for oil of US\$60 a barrel and natural gas, \$10 a million btu.

For historical analysis of COS since 2002 see www.mcdep.com/4cos.htm

Summary and Recommendation

Announced with first quarter results after the market close on April 25, the directors of buy-recommended **Canadian Oil Sands Trust (COSWF)** declared a quarterly distribution of C\$0.40 a unit, up 33% from the previous quarter. Market reception of Syncrude Sweet Blend was better than management guided. Record volume of 356,000 barrels daily was achieved in the last month of the quarter (see chart, [Syncrude Volume](#)). Actual and futures prices for Light Sweet Crude oil are now more than US\$65 for 2007, up from \$60 in management's new guidance and up from \$55 in management's old guidance. Though we are confident in our estimate of net present value of US\$35 a unit, the stock has been under pressure apparently from Canadian political considerations regarding potential taxation of trusts and carbon dioxide emissions. We agree as Chief Executive Marcel Coutu courageously urges unitholders to protest in a campaign that may bring down the Conservative government unless different policies are implemented. Canadian Oil Sands Trust remains our top oil recommendation with its highest representation in crude oil production and its double weighting in the illustrative McDep Energy Portfolio concentrated on real assets promising a high return providing clean fuel for global growth.

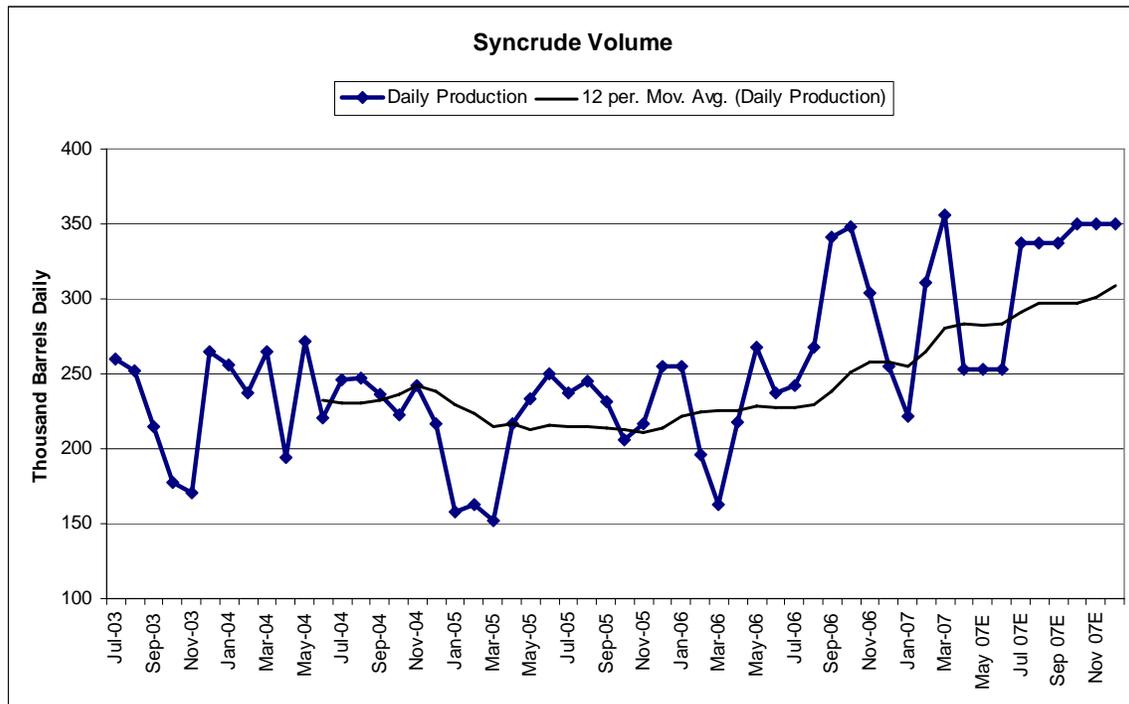
Kurt H. Wulff, CFA

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Canadian Oil Sands Trust
Next Twelve Months Operating and Financial Estimates
 (Canadian Dollars)

	<i>Q1</i>	<i>Q4</i>	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Next</i>
	<i>3/31/06</i>	<i>12/31/06</i>	<i>3/31/07</i>	<i>6/30/07</i>	<i>9/30/07</i>	<i>12/31/07</i>	<i>2007E</i>	<i>3/31/08</i>	<i>Twelve</i>
									<i>Months</i>
									<i>3/31/08</i>
Volume									
Syncrude (mmb)	18.4	27.8	26.6	23.0	31.0	32.2	112.8	31.5	117.7
Syncrude (mbd)	205	302	296	253	337	350	309	350	322
Days	90	92	90	91	92	92	365	90	365
Trust share (%)	36.6	36.4	36.9	36.7	36.7	36.7	36.8	36.7	36.7
Trust Oil (mmb)	6.74	10.14	9.81	8.45	11.39	11.83	41.5	11.57	43.2
Trust Oil (mbd)	74.9	110.2	109.0	92.9	123.8	128.6	113.6	128.6	118.5
Price									
WTI Cushing (US\$/bbl)	63.33	59.99	58.08	65.07	67.85	69.47	65.12	70.42	68.20
Currency (US\$/C\$)	0.87	0.88	0.85	0.90	0.90	0.90	0.89	0.90	0.90
WTI Cushing (C\$/bbl)	72.79	68.17	68.01	72.55	75.65	77.46	73.42	78.51	76.04
Differential	(2.33)	(4.70)	0.46	0.50	0.52	0.53	0.81	0.87	0.87
Trust Oil Price (C\$/bbl)	70.46	63.47	68.47	73.05	76.17	77.98	74.23	79.38	76.92
Henry Hub Nat Gas (US\$/mmbtu)	8.97	6.57	6.81	7.60	7.95	8.80	7.79	9.71	8.52
Henry Hub Nat Gas (C\$/mmbtu)	10.31	7.46	7.97	8.48	8.86	9.81	8.78	10.83	9.50
AECO Natural Gas (C\$/GJ)	7.42	6.26	6.99	7.43	7.77	8.60	7.70	9.49	8.32
Revenue (\$mm)									
Oil	475	643	672	617	868	923	3,079	919	3,326
Transportation & Marketing	9	12					-		-
Other	(18)	(15)	2				2		-
Total	466	646	674	617	868	923	3,081	919	3,326
Expense									
Production	215	179	171	171	171	171	685	189	702
Purchased Energy	56	60	60	59	83	96	298	103	341
Crown Royalties	5	83	94	76	133	144	447	136	489
Insurance	2	1	3	2	2	2	9	2	8
Administration	5	5	4	4	4	4	16	4	16
Taxes and Other	2	-	1	1	1	1	4	3	6
Total	285	328	333	314	394	417	1,458	437	1,562
Ebitda	181	318	341	304	473	505	1,623	482	1,764
Deprec., Deplet., & Amort.	50	75	82	85	114	118	399	116	432
Oil Hedging									
Currency Hedging	(7)	(2)	(2)	(7)	(7)	(7)	(22)	(7)	(27)
Non-Production	25	14	18	18	18	18	72	19	73
Exchange on U.S. Debt	2	40	(7)				(7)		-
Future Income Tax	(5)	39	(38)				(38)		-
Ebit	116	152	288	208	348	376	1,220	354	1,286
Interest	25	24	24	24	24	24	96	24	96
Net Income (\$mm)	91	128	264	184	324	352	1,124	330	1,190
Per Unit (\$)	0.20	0.27	0.55	0.38	0.68	0.73	2.34	0.69	2.48
Units (millions)	463.0	469.0	479.0	479.0	479.0	479.0	479.2	479.0	479.0
Cash Flow (\$mm)	704	295	201	262	431	463	1,478	439	1,623
Per Unit (\$)	1.52	0.63	0.42	0.55	0.90	0.97	3.08	0.92	3.39
Capital Expend (C\$/unit)			0.07	0.15	0.15	0.15	0.52	0.13	0.58
Free Cash Flow (C\$/unit)			0.35	0.40	0.75	0.82	2.31	0.78	2.75
Ratios									
Production (\$/bbl)	31.93	17.67	17.45	20.25	15.02	14.47	16.50	16.33	16.24
Purchased Energy (\$/bbl)	8.25	5.91	6.10	6.98	7.30	8.09	7.18	8.92	7.89
Prod&Purch En (\$/bbl)	40.19	23.58	23.55	27.24	22.33	22.55	23.68	25.25	24.13
Crown Royalties & Taxes	1%	13%	14%	12%	15%	16%	15%	15%	15%
Other Expense (\$/bbl)	0.30	-	0.10	0.12	0.09	0.08	0.10	0.24	0.13
Ebitda Margin	39%	49%	51%	49%	55%	55%	53%	52%	53%
Deprec., D.& A (\$/bbl)	7.41	7.40	8.36	10.00	10.00	10.00	9.61	10.00	10.00
Distribution	0.30	0.30	0.30	0.40	0.40	0.50	1.60	0.60	1.90

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