

## McDep Energy Income Producers

A Weekly Analysis of Royalty Trusts and Master Limited Partnerships

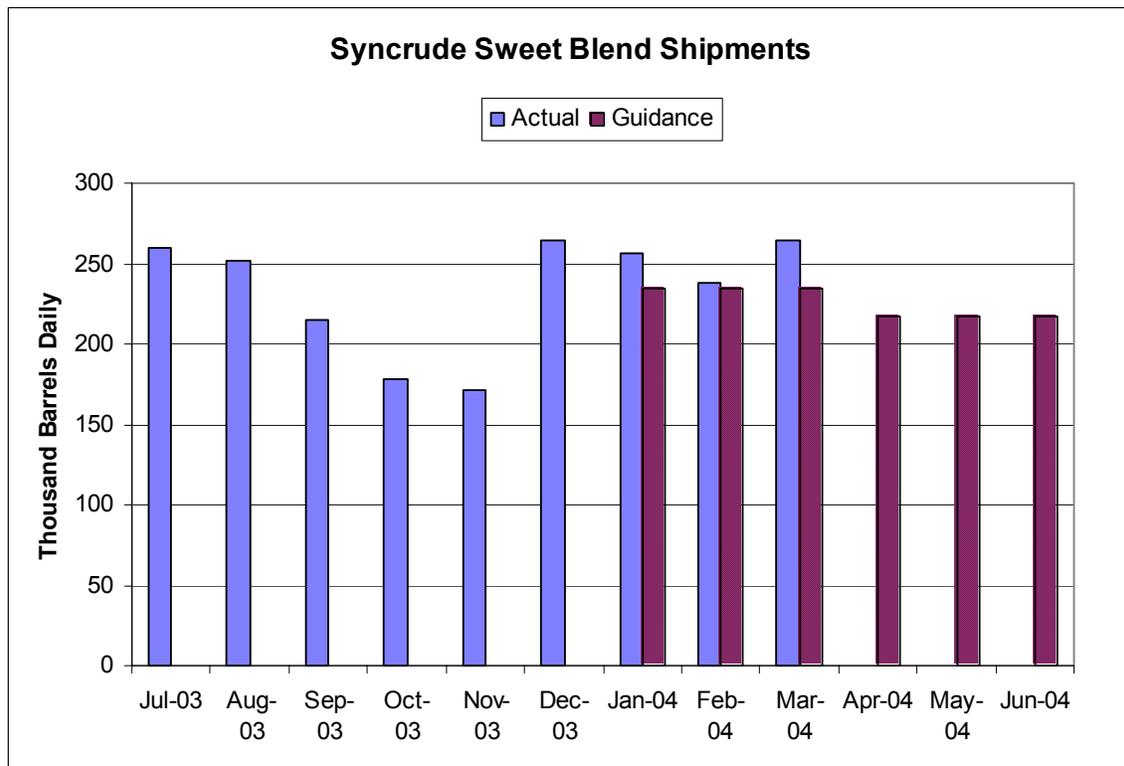
April 13, 2004

# Record Month for Syncrude

### Summary and Recommendation

Monthly volume of 265 thousand barrels daily (mbd) set a new record for Syncrude, the 35.5% owned, sole asset of buy-recommended **Canadian Oil Sands Trust (COSWF)**. Moreover, six-year oil futures gained US\$ 1.46 a barrel in the past week to reach a new high of US\$30.65 a barrel. Both records support our forceful recent increase in estimated present value to US\$62 a share for a stock trading at less than US\$34. The estimate is just twelve times next twelve months cash flow from an oil resource expected to produce 350 mbd in 2007 and last at that level indefinitely. The trust cautions that volumes for the next few months may be lower at 217 mbd as a result of scheduled maintenance.

Kurt H. Wulff, CFA

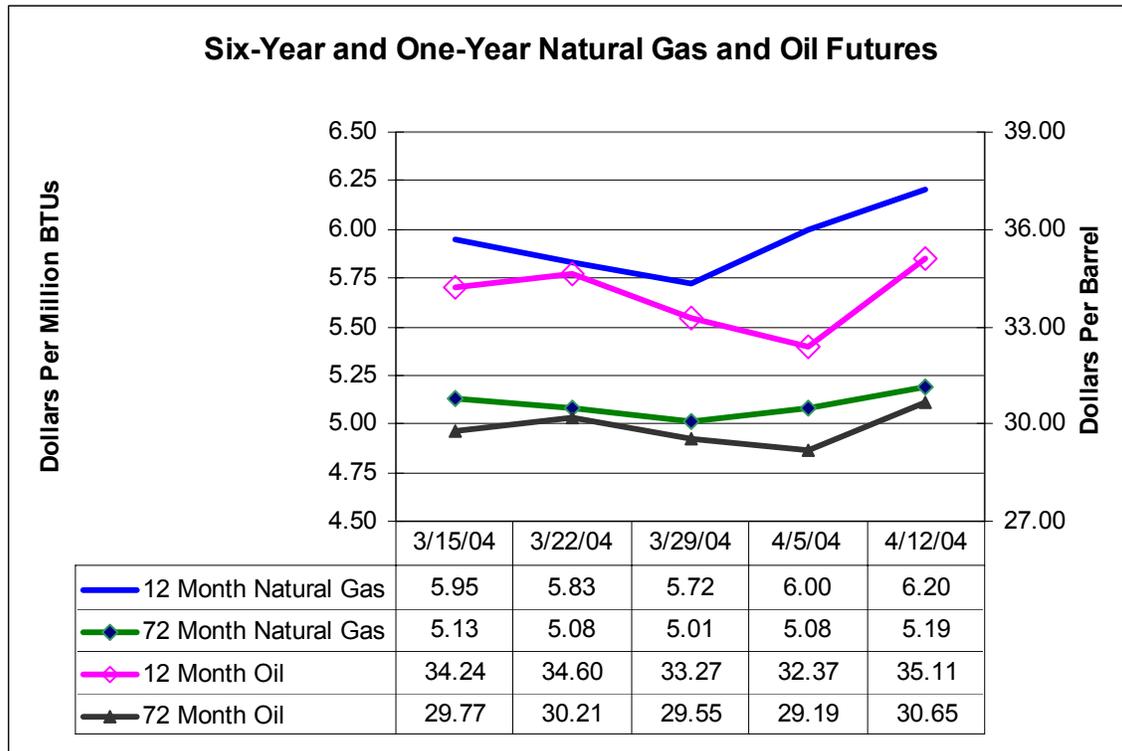


Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is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

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## Rank by McDep Ratio: Market Cap and Debt to Present Value

	Symbol/ Rating	Price (\$/sh) 12-Apr 2004	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
<b>Master Limited Partnerships and Canadian Royalty Trusts</b>							
Kinder Morgan Energy Partners, L.P.	KMP s	44.41	140.1	6,220	14.00	0.48	2.12
Kinder Morgan Management, LLC	KMR s	42.61	48.6	2,070	14.00	0.48	2.06
Provident Energy Trust	PVX	8.70	85.0	740	6.20	0.35	1.26
NAV Energy Trust	NVG.UN	8.24	19.0	160	7.00	0.18	1.15
Dorchester Minerals, L.P.	DMLP	18.00	27.0	490	17.00	-	1.06
Enerplus Resources Fund	ERF	28.28	90.4	2,560	28.00	0.13	1.01
Pengrowth Energy Trust	PGH	13.84	122.0	1,690	14.00	0.14	0.99
Canadian Oil Sands Trust (US\$)	COSWF B	33.31	86.9	2,890	62.00	0.19	0.62
<i>Total or Median</i>				<i>13,900</i>		<i>0.18</i>	<i>1.15</i>
<b>U.S. Royalty Trusts</b>							
Sabine Royalty Trust	SBR	36.25	14.6	530	27.00	-	1.34
Permian Basin RT (41%)	PBT	9.09	19.1	170	7.70	-	1.18
Hugoton RoyaltyTrust (46%)	HGT	22.50	18.4	410	22.00	-	1.02
Cross Timbers Royalty Trust	CRT	28.75	6.0	170	30.00	-	0.96
San Juan Basin Royalty Trust	SJT B	20.72	46.6	970	22.00	-	0.94
<i>Total or Median</i>				<i>2,300</i>		<i>-</i>	<i>1.02</i>

Buy/Sell rating after symbol: B - Buy full unlevered position, s - short quarter unlevered position

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

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

	Symbol/ Rating	Price (\$/sh) 12-Apr 2004	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)	PV/ Ebitda NTM
<b>Master Limited Partnerships and Canadian Royalty Trusts</b>							
Kinder Morgan Energy Partners, L.P.	KMP s	44.41	3.2	19.0	22	6.1	8.9
Kinder Morgan Management, LLC	KMR s	42.61	3.1	18.4	22	6.4	8.9
Dorchester Minerals, L.P.	DMLP	18.00	9.0	9.8	19	10.2	9.3
Canadian Oil Sands Trust (US\$)	COSWF B	33.31	4.0	7.3	12	4.5	11.8
Enerplus Resources Fund	ERF	28.28	4.9	7.2	15	11.1	7.1
Provident Energy Trust	PVX	8.70	5.1	7.2	19	12.4	5.7
Pengrowth Energy Trust	PGH	13.84	4.4	6.0	11	13.6	6.1
NAV Energy Trust	NVG.UN	8.24	2.9	4.8	15	16.3	4.2
	<i>Median</i>		<i>4.4</i>	<i>7.3</i>	<i>19</i>	<i>10.2</i>	<i>8.9</i>
<b>U.S. Royalty Trusts</b>							
Sabine Royalty Trust	SBR	36.25	12.3	12.9	13	7.8	9.6
Cross Timbers Royalty Trust	CRT	28.75	8.2	11.4	12	8.6	11.8
Permian Basin RT (41%)	PBT	9.09	6.8	9.3	10	8.3	7.9
Hugoton RoyaltyTrust (46%)	HGT	22.50	6.5	8.4	10	10.0	8.2
San Juan Basin Royalty Trust	SJT B	20.72	6.3	7.6	9	10.7	8.1
	<i>Median</i>		<i>6.8</i>	<i>9.3</i>	<i>10</i>	<i>8.6</i>	<i>8.2</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2005; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

### Determinants of Present Value

	Symbol/ Rating	NG & O Prod/ Ebitda (%)	N. Am. Gas/ Ebitda (%)	Adjusted Reserves/ Production NTM	PV/ Ebitda NTM	NG&O Ebitda/ mcf	Natural Royalty (%)
<b>Master Limited Partnerships and Canadian Royalty Trusts</b>							
NAV Energy Trust	NVG.UN	100	41	3.7	4.2	3.16	-
Provident Energy Trust	PVX	79	51	4.0	5.7	3.11	-
Pengrowth Energy Trust	PGH	100	39	7.7	6.1	2.61	-
Dorchester Minerals, L.P.	DMLP	100	85	8.4	9.3	4.49	54
Enerplus Resources Fund	ERF	100	58	9.3	7.1	3.34	-
Kinder Morgan Energy Partners, L.P.	KMP s	12	-	10.0	8.9		
Kinder Morgan Management, LLC	KMR s	12	-	10.0	8.9		
Canadian Oil Sands Trust (US\$)	COSWF B	100	(9)	20.0	11.8	3.01	-
	<i>Median</i>		<i>41</i>	<i>8.4</i>	<i>7.1</i>	<i>3.16</i>	
<b>U.S. Royalty Trusts</b>							
Sabine Royalty Trust	SBR	100	65	8.5	9.6	5.02	100
Permian Basin RT (41%)	PBT	100	45	9.1	7.9	3.38	24
San Juan Basin Royalty Trust	SJT B	100	99	11.7	8.1	3.76	-
Cross Timbers Royalty Trust	CRT	100	75	12.7	11.8	4.12	85
Hugoton RoyaltyTrust (46%)	HGT	100	94	13.6	8.2	3.98	-
	<i>Median</i>		<i>75</i>	<i>11.7</i>	<i>8.2</i>	<i>3.98</i>	

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