

McDep Energy Income Producers

A Weekly Analysis of Royalty Trusts and Master Limited Partnerships

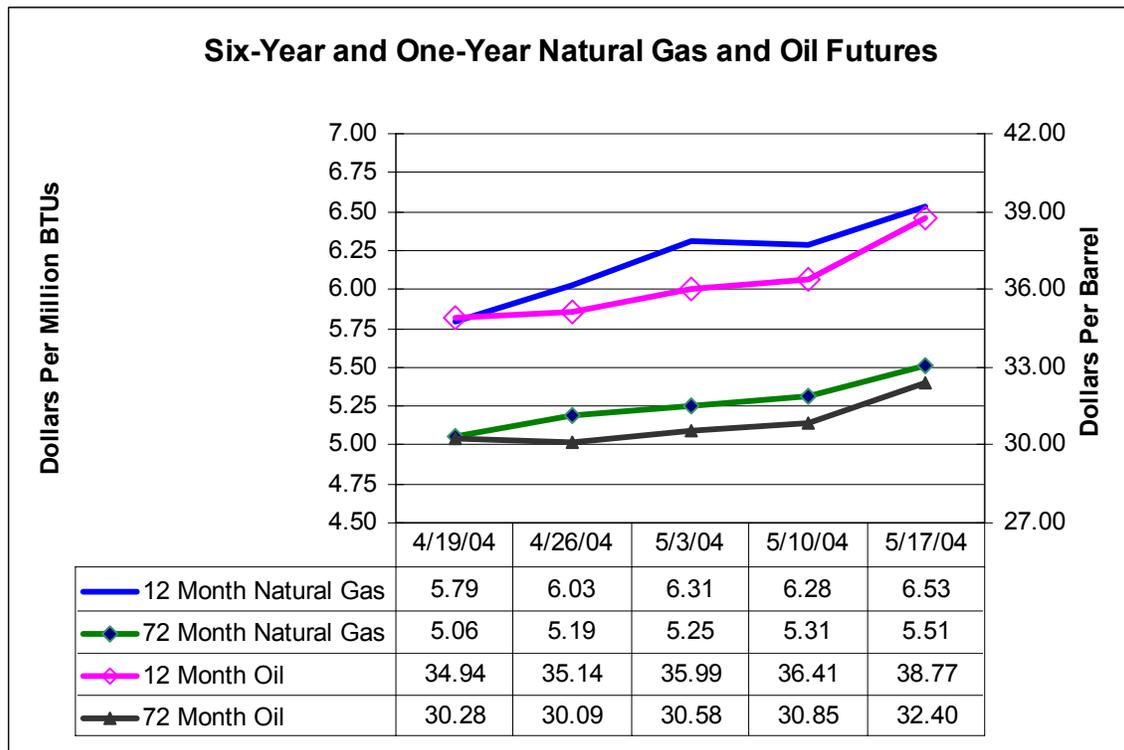
May 18, 2004

Pure Plays

Summary and Recommendation

New highs for natural gas and oil commodity price translate to expected higher income and value for buy recommendations **Canadian Oil Sands Trust (COS.UN)** and **San Juan Basin Royalty Trust (SJT)**. Stock price for COS appears to be lagging oil price trends while stock price for SJT appears to be tracking natural gas price trends better (see charts). A large institutional investor might be concerned about triggering Canadian ownership limits, but smaller institutional investors and individuals need not be as inhibited. Similarly if temporarily low volume because of second quarter maintenance is holding back COS, that could make the timing of new commitments more favorable as we see it.

Kurt H. Wulff, CFA

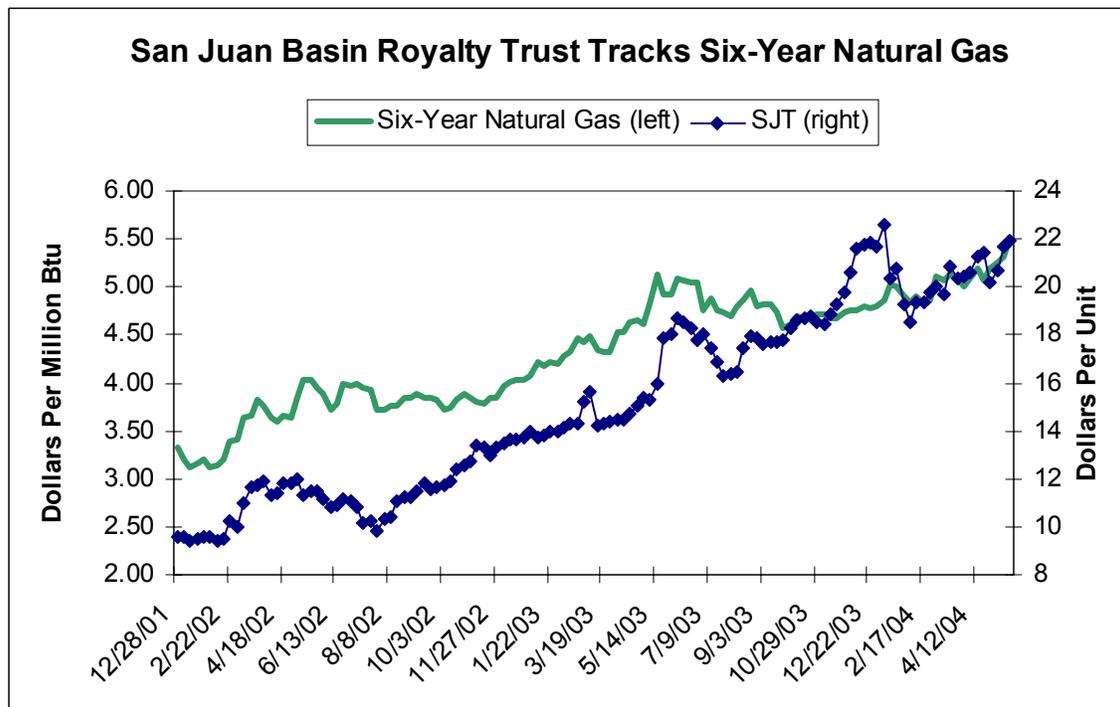
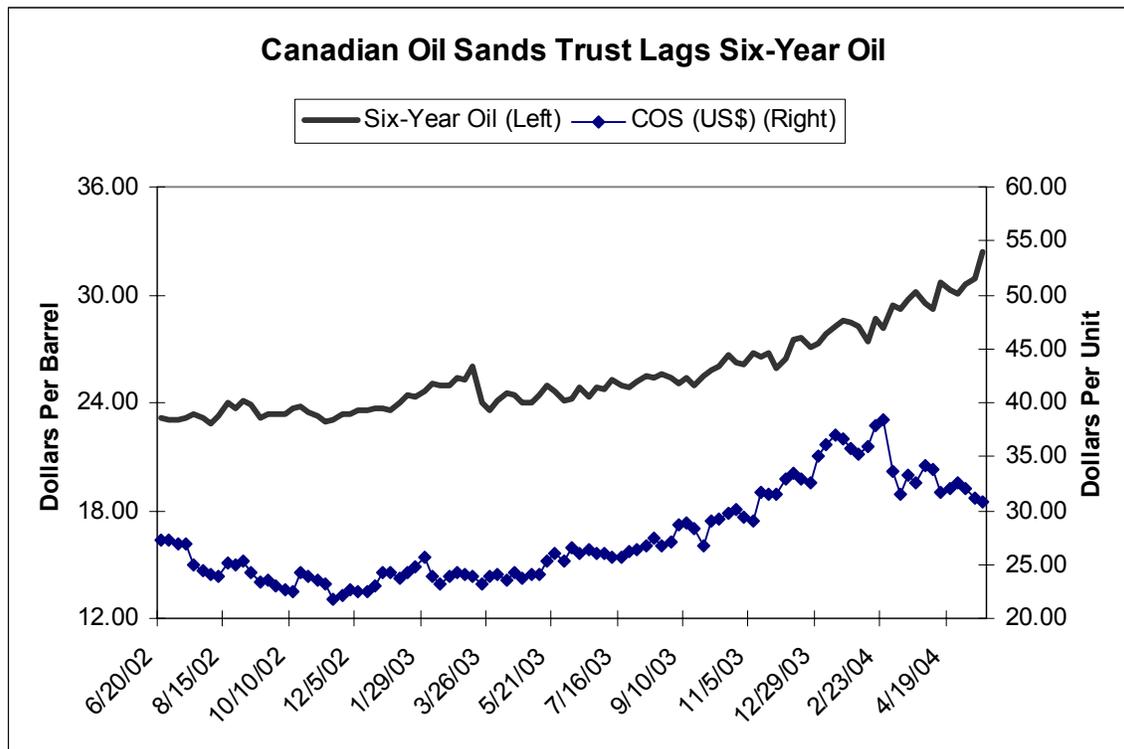


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Rank by McDep Ratio: Market Cap and Debt to Present Value

	Symbol/ Rating	Price (\$/sh) 17-May 2004	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Master Limited Partnerships and Canadian Royalty Trusts							
Kinder Morgan Energy Partners, L.P.	KMP	S2 40.23	140.1	5,640	14.00	0.48	1.97
Kinder Morgan Management, LLC	KMR	S2 36.55	48.6	1,780	14.00	0.48	1.83
Provident Energy Trust	PVX	8.45	85.0	720	6.20	0.34	1.24
Dorchester Minerals, L.P.	DMLP	17.74	27.0	480	17.00	-	1.04
NAV Energy Trust	NVG.UN	7.30	19.0	140	7.00	0.18	1.04
Enerplus Resources Fund	ERF	25.73	90.4	2,330	28.00	0.12	0.93
Pengrowth Energy Trust	PGH	12.80	122.0	1,560	14.00	0.14	0.93
Canadian Oil Sands Trust (US\$)	COSWF	B1 30.74	86.9	2,670	62.00	0.19	0.59
	<i>Total or Median</i>			12,700		0.18	1.04
U.S. Royalty Trusts							
Sabine Royalty Trust	SBR	32.95	14.6	480	27.00	-	1.22
Permian Basin RT (41%)	PBT	8.40	19.1	160	7.70	-	1.09
San Juan Basin Royalty Trust	SJT	B1 21.97	46.6	1,020	22.00	-	1.00
Cross Timbers Royalty Trust	CRT	29.63	6.0	180	30.00	-	0.99
Hugoton RoyaltyTrust (46%)	HGT	21.71	18.4	400	22.00	-	0.99
	<i>Total or Median</i>			2,200		-	1.00

Buy/Sell rating after symbol: B1 - Buy full unlevered position, S2 - short quarter unlevered position
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

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

	Symbol/ Rating	Price (\$/sh) 17-May 2004	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)	PV/ Ebitda NTM
Master Limited Partnerships and Canadian Royalty Trusts							
Kinder Morgan Energy Partners, L.P.	KMP	S2 40.23	3.0	17.6	20	6.8	8.9
Kinder Morgan Management, LLC	KMR	S2 36.55	2.8	16.4	18	7.4	8.9
Dorchester Minerals, L.P.	DMLP	17.74	8.3	9.1	16	11.0	8.7
Provident Energy Trust	PVX	8.45	4.7	6.6	15	12.3	5.4
Enerplus Resources Fund	ERF	25.73	4.2	5.9	10	11.7	6.4
Canadian Oil Sands Trust (US\$)	COSWF	B1 30.74	3.5	5.8	9	4.7	9.8
Pengrowth Energy Trust	PGH	12.80	3.7	4.9	7	14.2	5.3
NAV Energy Trust	NVG.UN	7.30	2.5	4.2	11	18.3	4.0
	<i>Median</i>		3.7	6.6	15	11.0	8.7
U.S. Royalty Trusts							
Sabine Royalty Trust	SBR	32.95	10.6	11.1	11	9.0	9.1
Cross Timbers Royalty Trust	CRT	29.63	8.1	11.0	11	8.9	11.1
Permian Basin RT (41%)	PBT	8.40	5.9	8.0	9	8.9	7.3
San Juan Basin Royalty Trust	SJT	B1 21.97	6.4	7.8	9	10.6	7.8
Hugoton RoyaltyTrust (46%)	HGT	21.71	5.8	7.5	9	11.4	7.6
	<i>Median</i>		6.4	8.0	9	9.0	7.8

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

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