

## McDep Energy Income Producers

A Weekly Analysis of Royalty Trusts and Master Limited Partnerships

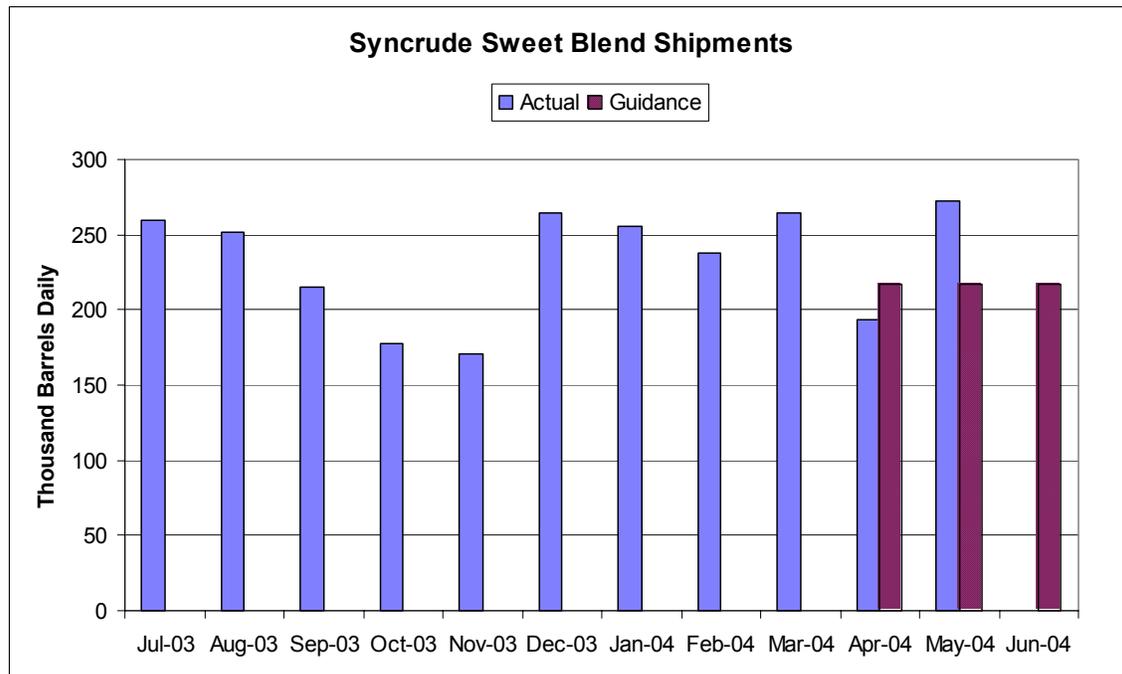
June 8, 2004

# New Monthly Record for Syncrude

### Summary and Recommendation

Volume of 272 thousand barrels daily in May set a new record for Syncrude, the 35.5% owned, sole asset of buy-recommended **Canadian Oil Sands Trust (COSWF)** (see chart). Since the previous record two months ago, six-year oil futures are higher by about US\$ 2 a barrel while stock price is lower by about US\$ 3 per unit. Surprisingly, the record was set during a quarter when equipment was down for scheduled maintenance. June still looks to be lower, but the quarterly total may be higher than previously expected. The timing seems favorable for new commitments to investment in a great North American resource.

Kurt H. Wulff, CFA

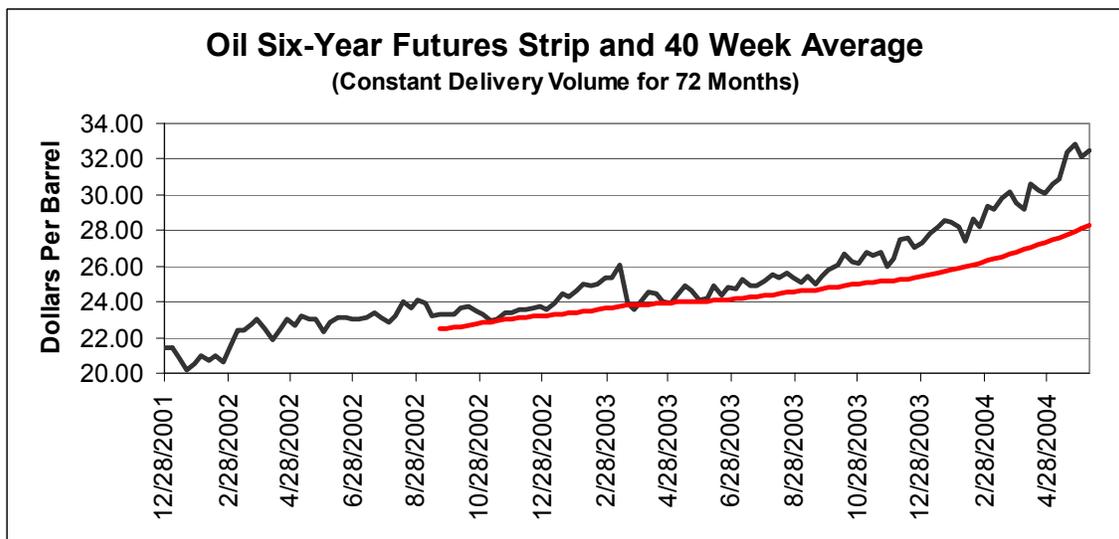
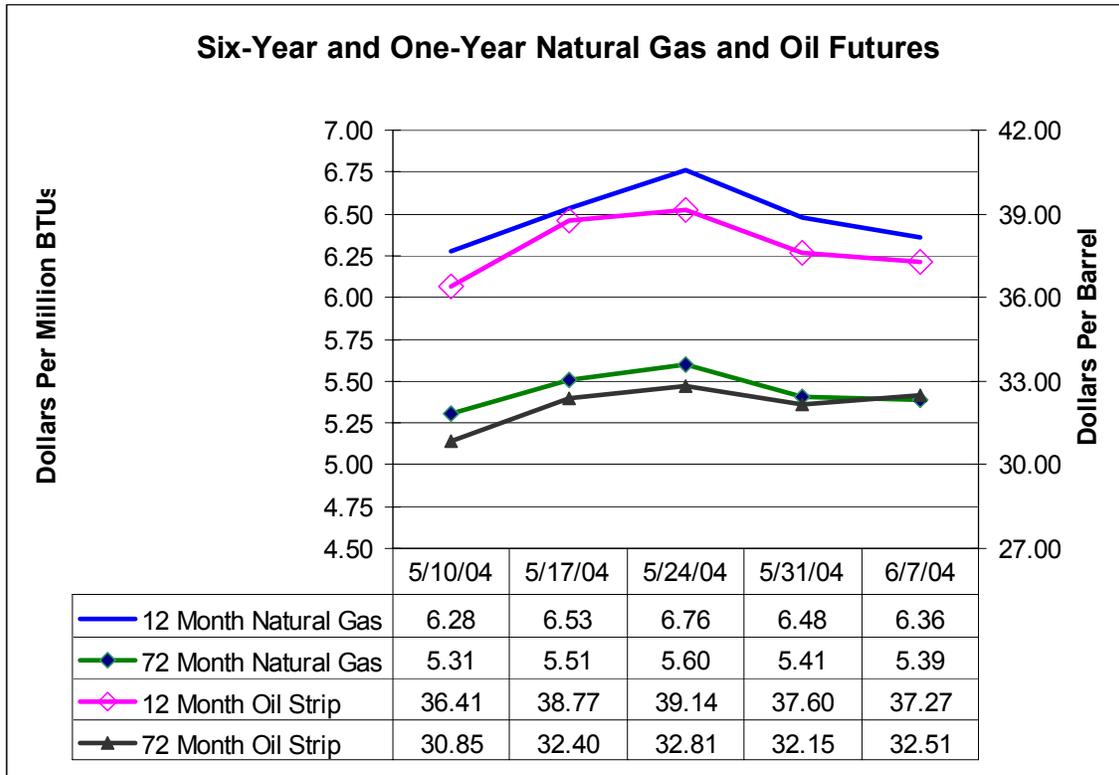


Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is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

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

|  | Symbol/<br>Rating | Price<br>(\$/sh)<br>7-Jun<br>2004 | Shares<br>(mm) | Market<br>Cap<br>(\$mm) | Net<br>Present<br>Value<br>(\$/sh) | Debt/<br>Present<br>Value | McDep<br>Ratio |
|--|-------------------|-----------------------------------|----------------|-------------------------|------------------------------------|---------------------------|----------------|
| <b>Master Limited Partnerships and Canadian Royalty Trusts</b> |                   |                                   |                |                         |                                    |                           |                |
| Kinder Morgan Energy Partners, L.P.                            | KMP S2            | 40.93                             | 145.0          | 5,940                   | 15.00                              | 0.49                      | 1.88           |
| Kinder Morgan Management, LLC                                  | KMR S2            | 36.90                             | 52.7           | 1,950                   | 15.00                              | 0.49                      | 1.75           |
| Provident Energy Trust   | PVX               | 8.14                              | 85.0           | 690                     | 6.20                               | 0.35                      | 1.20           |
| Dorchester Minerals, L.P.                                      | DMLP              | 17.87                             | 27.0           | 480                     | 17.00                              | -                         | 1.05           |
| NAV Energy Trust   | NVG.UN            | 7.46                              | 19.0           | 140                     | 7.00                               | 0.18                      | 1.06           |
| Enerplus Resources Fund  | ERF               | 27.29                             | 90.4           | 2,470                   | 28.00                              | 0.13                      | 0.98           |
| Pengrowth Energy Trust   | PGH               | 13.31                             | 122.0          | 1,620                   | 14.00                              | 0.14                      | 0.96           |
| Canadian Oil Sands Trust (US\$)                                | COSWF B1          | 30.56                             | 86.9           | 2,660                   | 62.00                              | 0.20                      | 0.59           |
| <i>Total or Median</i>   |                   |                                   |                | 13,300                  |                                    | 0.18                      | 1.06           |
| <b>U.S. Royalty Trusts</b>                                     |                   |                                   |                |                         |                                    |                           |                |
| Sabine Royalty Trust   | SBR               | 33.90                             | 14.6           | 490                     | 27.00                              | -                         | 1.25           |
| Permian Basin RT (41%)   | PBT               | 8.80                              | 19.1           | 170                     | 7.70                               | -                         | 1.14           |
| Hugoton RoyaltyTrust (46%)                                     | HGT               | 22.48                             | 18.4           | 410                     | 22.00                              | -                         | 1.02           |
| San Juan Basin Royalty Trust                                   | SJT B1            | 22.36                             | 46.6           | 1,040                   | 22.00                              | -                         | 1.02           |
| Cross Timbers Royalty Trust                                    | CRT               | 27.76                             | 6.0            | 170                     | 30.00                              | -                         | 0.93           |
| <i>Total or Median</i>   |                   |                                   |                | 2,300                   |                                    | -                         | 1.02           |

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/<br>Rating | Price<br>(\$/sh)<br>7-Jun<br>2004 | EV/<br>Sales<br>NTM | EV/<br>Ebitda<br>NTM | Divd or<br>Distrib<br>P/E<br>NTM | PV/<br>Ebitda<br>NTM |
|--|-------------------|-----------------------------------|---------------------|----------------------|----------------------------------|----------------------|
| <b>Master Limited Partnerships and Canadian Royalty Trusts</b> |                   |                                   |                     |                      |                                  |                      |
| Kinder Morgan Energy Partners, L.P.                            | KMP S2            | 40.93                             | 2.8                 | 15.1                 | 21                               | 8.0                  |
| Kinder Morgan Management, LLC                                  | KMR S2            | 36.90                             | 2.6                 | 14.0                 | 19                               | 8.0                  |
| Dorchester Minerals, L.P.                                      | DMLP              | 17.87                             | 8.6                 | 9.4                  | 17                               | 8.9                  |
| Provident Energy Trust   | PVX               | 8.14                              | 4.6                 | 6.5                  | 15                               | 5.4                  |
| Enerplus Resources Fund  | ERF               | 27.29                             | 4.5                 | 6.5                  | 12                               | 6.7                  |
| Canadian Oil Sands Trust (US\$)                                | COSWF B1          | 30.56                             | 3.7                 | 6.2                  | 9                                | 10.5                 |
| Pengrowth Energy Trust   | PGH               | 13.31                             | 4.0                 | 5.3                  | 9                                | 5.6                  |
| NAV Energy Trust   | NVG.UN            | 7.46                              | 2.6                 | 4.3                  | 12                               | 4.0                  |
| <i>Median</i>  |                   |                                   | 4.0                 | 6.5                  | 15                               | 8.0                  |
| <b>U.S. Royalty Trusts</b>                                     |                   |                                   |                     |                      |                                  |                      |
| Sabine Royalty Trust   | SBR               | 33.90                             | 11.2                | 11.6                 | 12                               | 9.3                  |
| Cross Timbers Royalty Trust                                    | CRT               | 27.76                             | 7.7                 | 10.6                 | 11                               | 11.4                 |
| Permian Basin RT (41%)   | PBT               | 8.80                              | 6.3                 | 8.6                  | 9                                | 7.5                  |
| San Juan Basin Royalty Trust                                   | SJT B1            | 22.36                             | 6.6                 | 8.1                  | 10                               | 8.0                  |
| Hugoton RoyaltyTrust (46%)                                     | HGT               | 22.48                             | 6.1                 | 7.9                  | 9                                | 7.8                  |
| <i>Median</i>  |                   |                                   | 6.6                 | 8.6                  | 10                               | 8.0                  |

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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