

Energy Partners Ltd.
Remove Buy on Cold Weather

<i>Symbol</i>	<i>Price</i>		<i>Market Cap</i>	<i>Net Present Value</i>		<i>Debt/ Present Value</i>	<i>McDep Ratio</i>	<i>EV/ Sales</i>		<i>EV/ Ebitda</i>	<i>Div'd</i>		<i>PV/ Ebitda</i>
	<i>(US\$/sh)</i>	<i>15-Jan 2004</i>		<i>Shares</i>	<i>Cap (\$mm)</i>			<i>Value (\$/sh)</i>	<i>NTM</i>		<i>NTM</i>	<i>NTM</i>	
EPL	14.25	36.9	530	15.00	0.19	0.96	2.7	4.2	15.1	-	4.4		

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

EV = Enterprise Value = Market Cap and Debt: US\$mm 650

Ebitda = Earnings before interest, tax, depreciation and amortization: US\$mm 154

NTM = Next Twelve Months Ended December 31, 2004; P/E = Stock Price to Earnings

PV = Present Value of energy businesses: US\$mm 680

Summary and Recommendation

We remove our buy recommendation on Energy Partners Ltd. on the coldest day of the year in the U.S. Northeast when the natural gas pricing news may be the best temporarily. The stock has the highest McDep Ratio among recommended operating companies, but the ratio is still reasonable at 0.96.

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