

Natural Gas Royalty Trusts

A Weekly Analysis

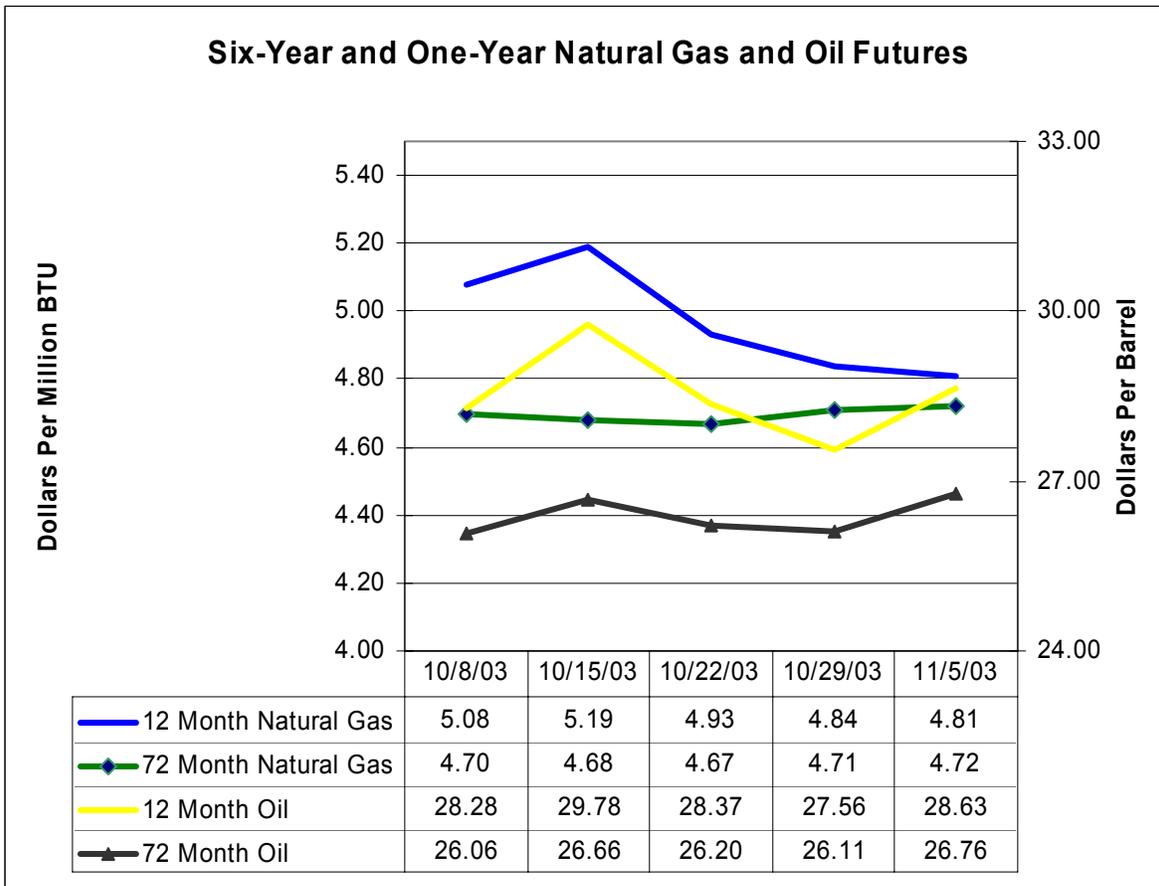
November 6, 2003

Hanging In

Summary and Recommendation

Despite warm weather and some softness in daily natural gas price, six-year and one-year natural gas futures remain unchanged on the week. That means no material change in estimates that we calculate weekly for three natural gas royalty trusts. Believing that the futures market underprices natural gas and oil for the next several years, we think that royalty trusts, particularly recommended **San Juan Basin Royalty Trust (SJT)**, are likely to be rewarding investments. The trusts are a pure representation in the commodity, with no debt, no dilution from new shares or units and no management to enhance or detract from high quality assets.

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Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at 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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Natural Gas and Oil Futures

November 5, 2003

	Year Ending November						Six Year
	2004	2005	2006	2007	2008	2009	
Natural Gas (\$/mmbtu)	4.81	4.74	4.69	4.70	4.68	4.69	4.72
Light Sweet Crude Oil (\$/bbl)	28.63	26.38	26.13	26.24	26.40	26.82	26.76
Natural Gas/Oil (6:1 = 1.0)	1.01	1.08	1.08	1.07	1.06	1.05	1.06

Source: Nymex.com, McDep Associates

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

	Symbol/ Rating	Price (\$/sh) 5-Nov 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio	
Hugoton RoyaltyTrust (46%)	HGT	20.16	18.4	370	15.20	-	1.33	
Cross Timbers Royalty Trust	CRT	24.96	6.0	150	20.20	-	1.24	
Sabine Royalty Trust	SBR	26.90	14.6	390	22.00	-	1.22	
Permian Basin RT (41%)	PBT	7.74	19.1	150	7.00	-	1.11	
San Juan Basin Royalty Trust	SJT	B	18.44	46.6	860	17.60	-	1.05
		<i>Total or Median</i>		1,900		-	1.22	

Buy/Sell rating after symbol: B - Buy, S - Sell

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) 5-Nov 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
Cross Timbers Royalty Trust	CRT	24.96	8.2	11.8	12	8.3	9.6	
Hugoton RoyaltyTrust (46%)	HGT	20.16	7.4	10.2	12	8.5	7.7	
Sabine Royalty Trust	SBR	26.90	9.6	10.1	10	9.9	8.3	
Permian Basin RT (41%)	PBT	7.74	5.7	8.9	12	9.7	8.0	
San Juan Basin Royalty Trust	SJT	B	18.44	6.8	8.4	11	9.5	8.0

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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