

Raise NPV for Penn West

Summary and Recommendation

The McDep Ratio of **Penn West Energy Trust (PWTF)** falls back to a more consistent level for a continuing buy recommendation as we raise net present value by US\$5 a unit to US\$33 a unit. The new level includes the minimum value of a tertiary recovery project we identified in our initial recommendation last August. Ultimately worth more it may be just a matter of timing as to when we recognize further value. Meanwhile buy-recommended **XTO Energy (XTO)** announces that it will distribute as a dividend to its shareholders units of **Hugoton Royalty Trust (HGT)**. A similar previous distribution of units in **Cross Timbers Royalty Trust (CRT)** seemed to be positive for owners of both XTO and CRT. HGT owners will see more stock market liquidity and we will be able to remove the notation in our tables calling attention to the fact that the publicly held portion of HGT has been 46%.

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

	<i>Symbol/ Rating</i>		<i>Price (\$/sh) 27-Jan 2006</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/un)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
U.S. Royalty Trusts								
San Juan Basin Royalty Trust	SJT	H	45.30	46.6	2,110	40.00	-	1.13
Hugoton RoyaltyTrust (46%)	HGT		38.10	18.4	700	34.00	-	1.12
Permian Basin RT	PBT		16.41	46.6	770	15.00	-	1.09
Cross Timbers Royalty Trust	CRT		47.00	6.0	280	45.00	-	1.04
Dorchester Minerals, L.P.	DMLP		27.00	28.2	760	26.00	-	1.04
Sabine Royalty Trust	SBR		42.00	14.6	610	42.00	-	1.00
Mesa RoyaltyTrust	MTR		67.44	1.9	130	75.00	-	0.90
	<i>Total or Median</i>				<i>5,400</i>			<i>1.04</i>
Canadian Income Trusts								
Enerplus Resources Fund	ERF		52.33	110.0	5,760	42.00	0.14	1.21
Pengrowth Energy Trust	PGH		24.96	159.0	3,970	20.00	0.16	1.21
Penn West Energy Trust	PWTF	B	36.84	179.4	6,610	33.00	0.13	1.10
Canadian Oil Sands Trust (US\$)	COSWF	B	127.26	93.1	11,850	136.00	0.12	0.94
	<i>Total or Median</i>				<i>28,200</i>		<i>0.14</i>	<i>1.16</i>

B = Buy, H = Hold

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

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