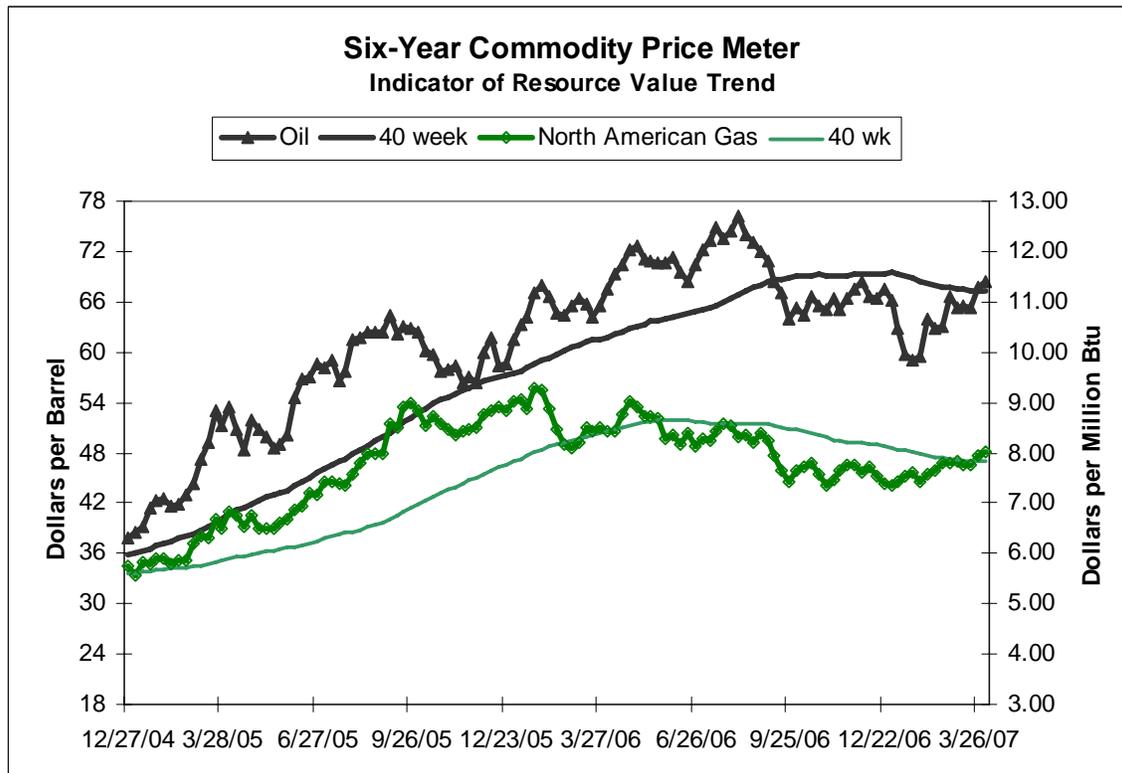


Funny Thing about Price Momentum

Summary and Recommendation

Possibly the most important development for oil and gas investors in almost a year is that both six-year oil price and natural gas price now trade above the 40-week average confirming a change in direction to the upside. The funny thing about price momentum is that it can alert investors to change before the short-term fundamental measures do. The advantage of price is that it is instantly evident while fundamental measures of demand and supply are slow to be recorded and are often inaccurate. While we respect momentum, we would not act on it without long-term fundamental conviction that oil and natural gas, especially, are priced too low. Meanwhile income stocks are attractive just for their stream of payments currently projected at a median 10% a year. Income stock price is likely to harmonize with the commodity price trend.

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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 trade a subject stock within a week before or after a change in rating.

Natural Gas and Oil Royalty Trusts Rank by McDep Ratio: Market Cap and Debt to Present Value

	Symbol/ Rating	Price (\$/sh) 29-Mar 2007	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/un)	Debt/ Present Value	McDep Ratio	
U.S. Royalty Trusts								
Sabine Royalty Trust	SBR	40.84	14.6	600	45.00	-	0.91	
Cross Timbers Royalty Trust	CRT	42.10	6.0	250	46.00	-	0.92	
Permian Basin RT	PBT	14.57	46.6	680	16.50	-	0.88	
Dorchester Minerals, L.P.	DMLP	22.35	28.2	630	27.00	-	0.83	
Mesa RoyaltyTrust	MTR	54.90	1.9	100	70.00	-	0.78	
San Juan Basin Royalty Trust	SJT	B	31.05	46.6	1,450	40.00	-	0.78
Hugoton RoyaltyTrust	HGT	B	25.06	40.0	1,000	34.00	-	0.74
	<i>Total or Median</i>			4,700			0.83	
Canadian Income Trusts (US\$)								
Pengrowth Energy Trust	PGH	17.13	241.0	4,130	17.00	0.26	1.01	
Enerplus Resources Fund	ERF	42.60	123.0	5,240	47.00	0.11	0.92	
Penn West Energy Trust	PWE	B	29.71	239.5	7,120	36.00	0.15	0.85
Canadian Oil Sands Trust	COSWF	B	24.81	479.0	11,890	35.00	0.08	0.73
	<i>Total or Median</i>			28,400		0.13	0.88	

B = Buy

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

Natural Gas and Oil Royalty Trusts Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 29-Mar 2007	Adjstd Resrvs/ Prod NTM	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)	
U.S. Royalty Trusts								
Cross Timbers Royalty Trust	CRT	42.10		12.1	11.1	11.3	8.9	
Sabine Royalty Trust	SBR	40.84		11.8	10.7	10.7	9.3	
Permian Basin RT	PBT	14.57		10.3	9.1	10.2	9.8	
Mesa RoyaltyTrust	MTR	54.90		11.3	8.8	10.8	9.3	
Dorchester Minerals, L.P.	DMLP	22.35		10.9	9.0	13.8	10.2	
San Juan Basin Royalty Trust	SJT	B	31.05	10.8	8.3	10.0	10.0	
Hugoton RoyaltyTrust	HGT	B	25.06	9.8	7.3	10.0	10.0	
	<i>Median</i>			10.9	9.0	10.7	9.8	
Canadian Income Trusts (US\$)								
Canadian Oil Sands Trust	COSWF	B	24.81	22.0	11.7	8.6	11.5	7.3
Pengrowth Energy Trust	PGH	17.13	7.4	7.6	7.6	26.1	15.1	
Enerplus Resources Fund	ERF	42.60	9.0	7.1	6.5	12.0	10.2	
Penn West Energy Trust	PWE	B	29.71	7.5	7.5	6.4	12.8	11.8
	<i>Median</i>			8.2	7.5	7.1	12.4	11.0

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2008; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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