

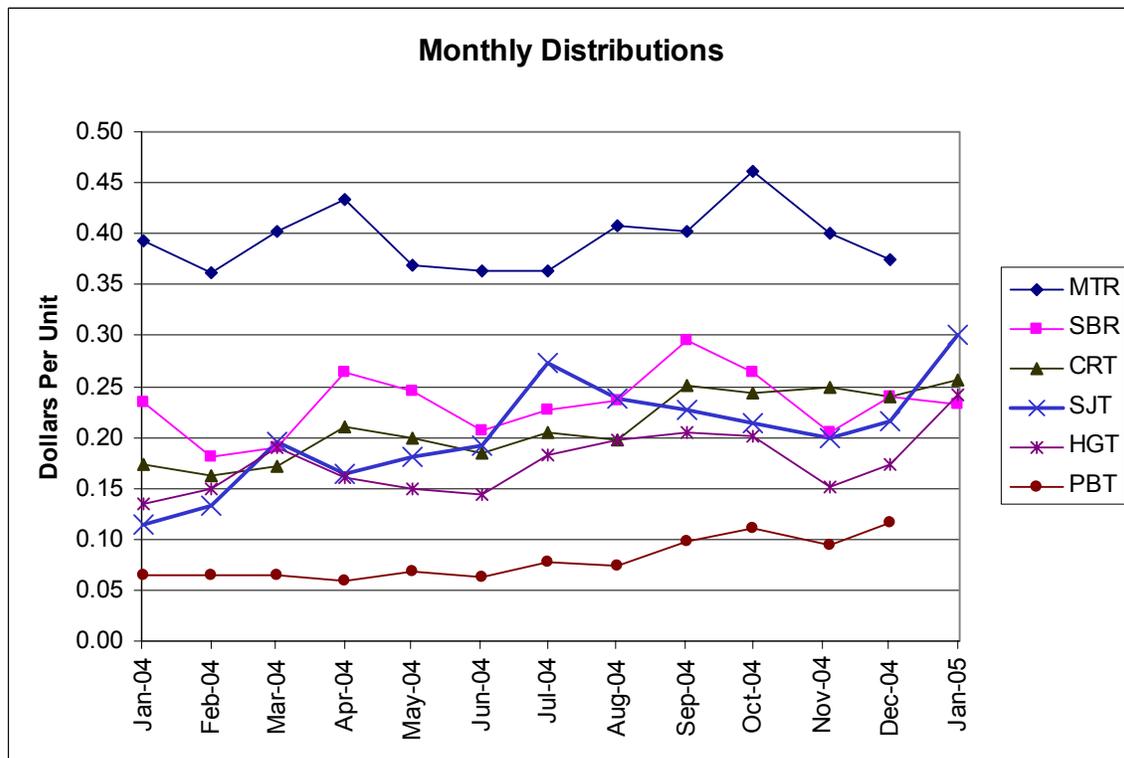
Overlooked Asset Class

Summary and Recommendation

In comparison to popular income choices, U.S. natural gas royalty trusts have much to recommend them. Estimated distribution yield of 8.7% for the next twelve months beats most alternatives and there is no financial leverage boosting the yield from that generated by the underlying assets. Moreover principal value has increased with enhancement of reserves in high-quality properties and with natural gas and oil commodity price. In the context of the McDep Energy Portfolio made up of 12 equivalent unlevered positions in recommended stocks, additional participation in a single trust or a package of trusts might readily be justified by income, diversification or other considerations.

Declaration Day Today

Five of the trusts declare monthly distributions on the same day that we issue this latest royalty trust weekly analysis. Some of the declarations are captured below and there is space to plot points for those declaring after our publication.



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.

U.S. Natural Gas and Oil Royalty Trusts

The Account

	<i>Symbol</i>	<i>Price (\$/un) 20-Jan 2005</i>	<i>Units</i>	<i>Market Value (\$)</i>	<i>Next Twelve Months Distrib. (\$/un)</i>	<i>NTM Distrib. Yield (%/yr)</i>
Cross Timbers Royalty Trust	CRT	38.85	400	15,540	2.99	7.7
Dorchester Minerals, L.P.	DMLP	23.76	700	16,632	1.95	8.2
Hugoton Royalty Trust	HGT	24.66	500	12,330	2.41	9.8
Mesa RoyaltyTrust	MTR	68.02	200	13,604	5.38	7.9
Permian Basin Royalty Trust	PBT	13.95	1,200	16,740	1.14	8.2
Sabine Royalty Trust	SBR	35.99	400	14,396	3.36	9.3
San Juan Basin Royalty Trust	SJT	28.80	500	14,400	2.84	9.9
	<i>Total</i>			<i>103,642</i>		<i>8.7</i>
Futures Strip						
12 Month - Oil (\$/bbl)		45.99				
12 Month - Natural Gas (\$/mmbtu)		6.46				
72 Month - Oil (\$/bbl)		41.24				
72 Month - Natural Gas (\$/mmbtu)		5.78				

Kurt H. Wulff, CFA

Index of Recent U.S. Royalty Trust Research

Single Trust Analyses

<i>Date</i>	<i>Symbol</i>	<i>Stock</i>	<i>Theme</i>
22-Nov	* MTR	Mesa Royalty Trust	Hugoton Predictability, San Juan Surprise
12-Nov	* CRT	Cross Timbers Royalty Trust	Low Risk, Long Life
5-Nov	* SJT	San Juan Basin Royalty Trust	High Winter Distributions Ahead

U.S. Natural Gas Royalty Trusts - A Weekly Analysis

13-Jan		Green on the Screen
7-Jan	*	All Barrels Are Not the Same
31-Dec	*	Charitable Gifts
24-Dec	*	Weather and Inventories

* Archived on www.mcdep.com

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