

# McDep Energy Income Producers

A Weekly Analysis of Royalty Trusts and Master Limited Partnerships

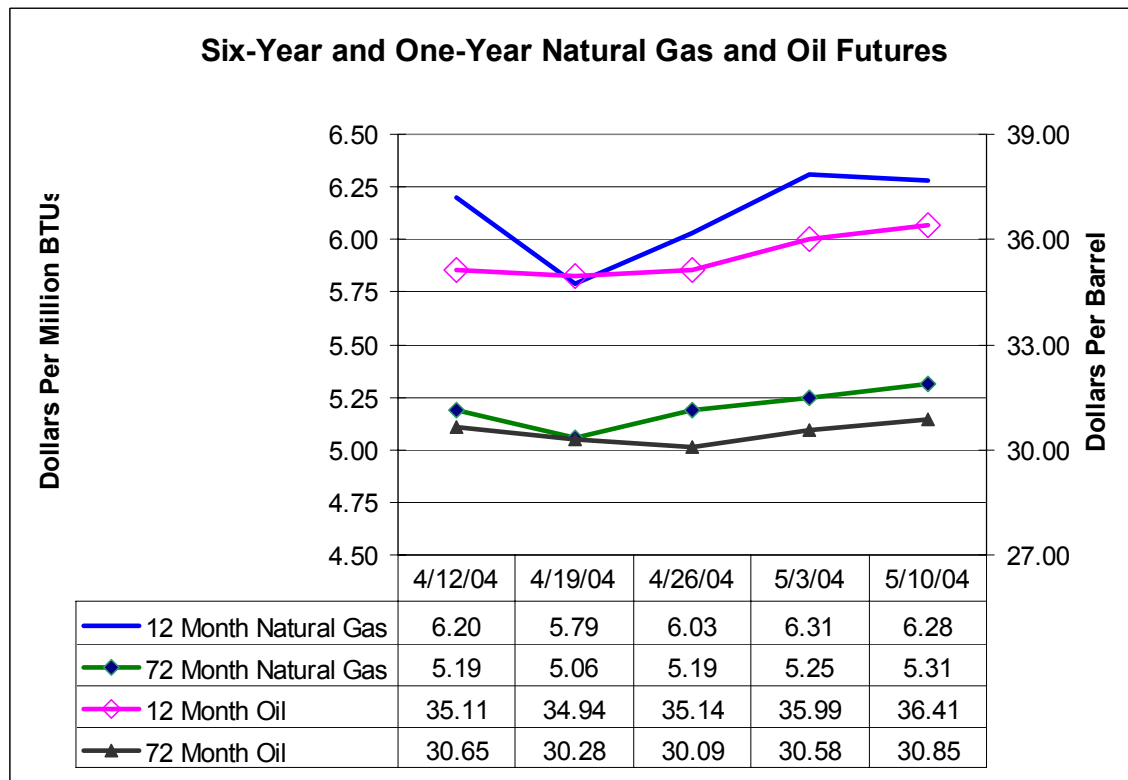
May 11, 2004

## Dependable Income

### Summary and Recommendation

When markets are volatile it can be reassuring that dependable North American energy producers keep paying income now estimated at an annual rate of 11.3% for recommended **San Juan Basin Royalty Trust (SJT)** and 4.6% for recommended **Canadian Oil Sands Trust (COS.UN)**. SJT income reflects steady volume and inflation-compensating natural gas price. COS volume constrained by maintenance for a few months leaps after expansion is complete in 2006 and reflects inflation-compensating oil price. Distribution yields have been boosted by recent stock price declines while latest commodity futures set new weekly highs.

Kurt H. Wulff, CFA

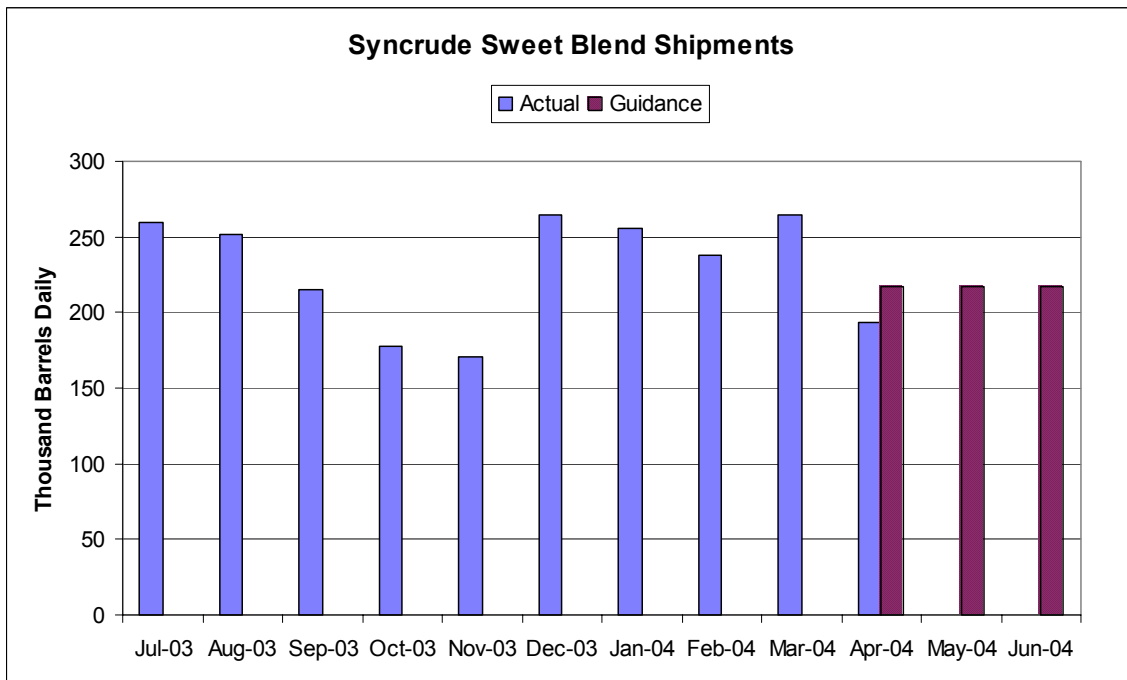
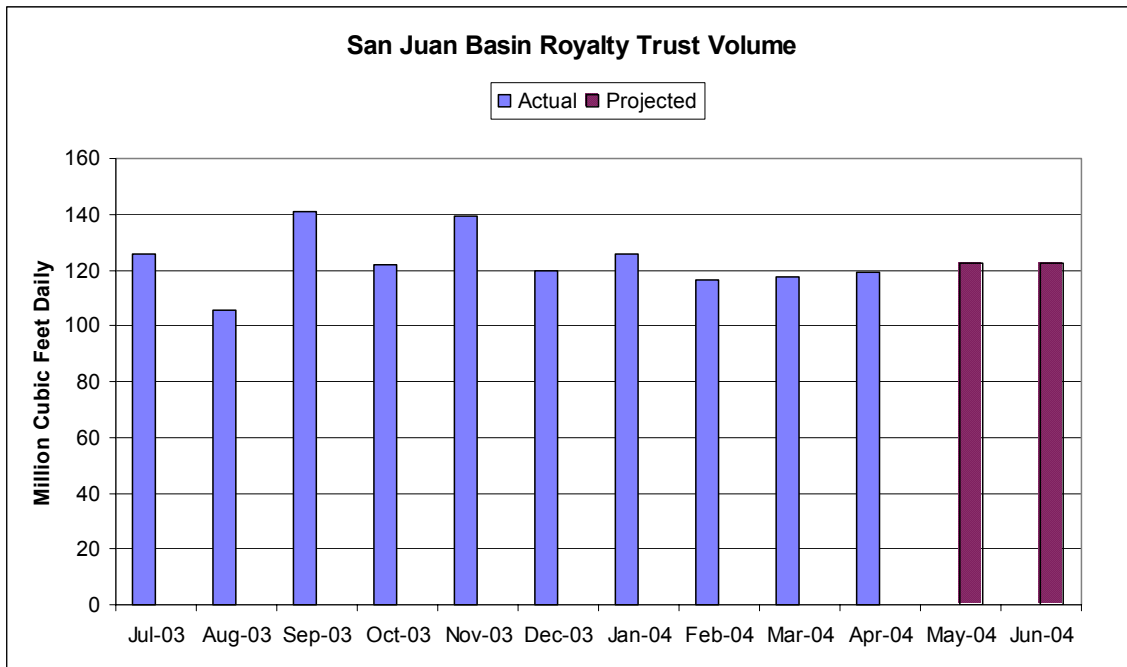


Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is not paid by covered companies. Neither he nor his spouse trade a subject stock within a week before or after a change in rating.

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

	Symbol/ Rating		Price (\$/sh) 10-May 2004	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
<b>Master Limited Partnerships and Canadian Royalty Trusts</b>								
Kinder Morgan Energy Partners, L.P.	KMP	S2	38.33	140.1	5,370	14.00	0.48	1.90
Kinder Morgan Management, LLC	KMR	S2	34.90	48.6	1,700	14.00	0.48	1.77
Provident Energy Trust	PVX		8.03	85.0	680	6.20	0.35	1.19
NAV Energy Trust	NVG.UN		7.78	19.0	150	7.00	0.18	1.09
Dorchester Minerals, L.P.	DMLP		17.36	27.0	470	17.00	-	1.02
Pengrowth Energy Trust	PGH		12.04	122.0	1,470	14.00	0.14	0.88
Enerplus Resources Fund	ERF		23.66	90.4	2,140	28.00	0.12	0.86
Canadian Oil Sands Trust (US\$)	COSWF	B1	31.20	86.9	2,710	62.00	0.19	0.60
<i>Total or Median</i>					<i>12,000</i>		<i>0.18</i>	<i>1.09</i>
<b>U.S. Royalty Trusts</b>								
Sabine Royalty Trust	SBR		31.20	14.6	460	27.00	-	1.16
Permian Basin RT (41%)	PBT		8.14	19.1	160	7.70	-	1.06
Hugoton RoyaltyTrust (46%)	HGT		20.15	18.4	370	22.00	-	0.92
San Juan Basin Royalty Trust	SJT	B1	20.00	46.6	930	22.00	-	0.91
Cross Timbers Royalty Trust	CRT		26.83	6.0	160	30.00	-	0.89
<i>Total or Median</i>					<i>2,100</i>		<i>-</i>	<i>0.92</i>

Buy/Sell rating after symbol: B1 - Buy full unlevered position, S2 - short quarter unlevered position  
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) 10-May 2004	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)	PV/ Ebitda NTM
<b>Master Limited Partnerships and Canadian Royalty Trusts</b>								
Kinder Morgan Energy Partners, L.P.	KMP	S2	38.33	2.9	17.0	19	7.1	8.9
Kinder Morgan Management, LLC	KMR	S2	34.90	2.7	15.8	18	7.8	8.9
Dorchester Minerals, L.P.	DMLP		17.36	8.5	9.2	17	10.8	9.1
Canadian Oil Sands Trust (US\$)	COSWF	B1	31.20	3.8	6.4	10	4.6	10.7
Provident Energy Trust	PVX		8.03	4.7	6.6	16	13.3	5.6
Enerplus Resources Fund	ERF		23.66	4.1	5.9	11	13.2	6.8
Pengrowth Energy Trust	PGH		12.04	3.8	5.1	8	15.5	5.8
NAV Energy Trust	NVG.UN		7.78	2.7	4.4	12	17.2	4.0
<i>Median</i>				<i>3.8</i>	<i>6.6</i>	<i>16</i>	<i>10.8</i>	<i>8.9</i>
<b>U.S. Royalty Trusts</b>								
Sabine Royalty Trust	SBR		31.20	10.4	10.9	11	9.2	9.4
Cross Timbers Royalty Trust	CRT		26.83	7.5	10.4	11	9.4	11.6
Permian Basin RT (41%)	PBT		8.14	6.0	8.2	9	9.2	7.7
San Juan Basin Royalty Trust	SJT	B1	20.00	6.0	7.3	9	11.3	8.0
Hugoton RoyaltyTrust (46%)	HGT		20.15	5.5	7.2	8	11.8	7.9
<i>Median</i>				<i>6.0</i>	<i>8.2</i>	<i>9</i>	<i>9.4</i>	<i>8.0</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2005; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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