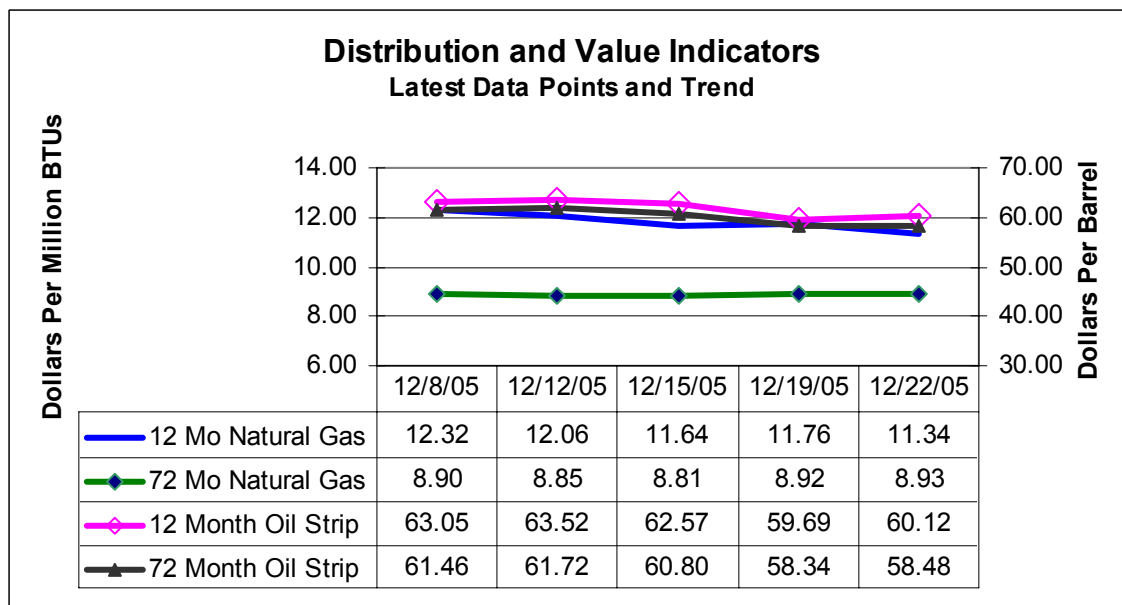


Record Distributions

Summary and Recommendation

Each of five U.S. royalty trusts declared higher distributions on or about Monday, December 19. **Cross Timbers Royalty Trust (CRT)**, **Permian Basin Royalty Trust (PBT)** and **San Juan Basin Royalty Trust (SJT)** declared all-time records for regular payments. Latest declarations for **Hugoton Royalty Trust (HGT)** and **Mesa Royalty Trust (MTR)** were the highest since early 2001. Next month should see more new records as regional natural gas index prices continued rising in November. Set by market conditions at the beginning of the month, index prices dipped in December and are yet to be determined for January. Using latest futures prices for 2006 we see a median distribution yield of 11.3% for U.S. royalty trusts. Latest declarations for Canadian trusts indicate a median 9.3% yield that likely understates the prospects. Buy-recommended **Canadian Oil Sands Trust (COSWF)** remains undervalued assuming \$50 oil. Buy-recommended **Penn West Energy Trust (PWTFE)** would have a lower McDep Ratio than currently measured if we gave more credit for a large carbon dioxide enhanced recovery project about to be implemented.

Kurt H. Wulff, CFA

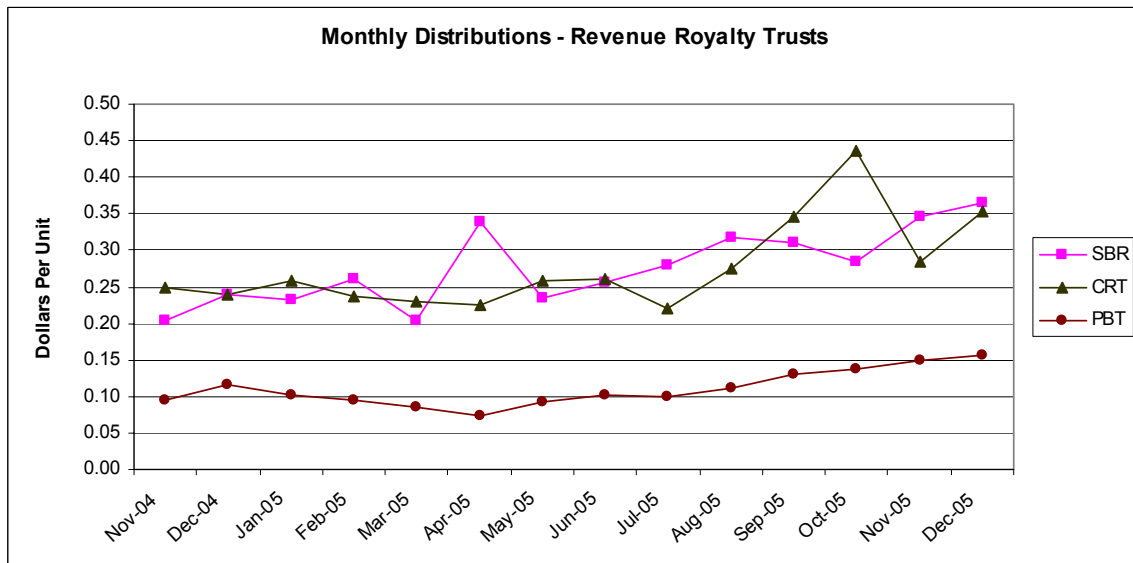
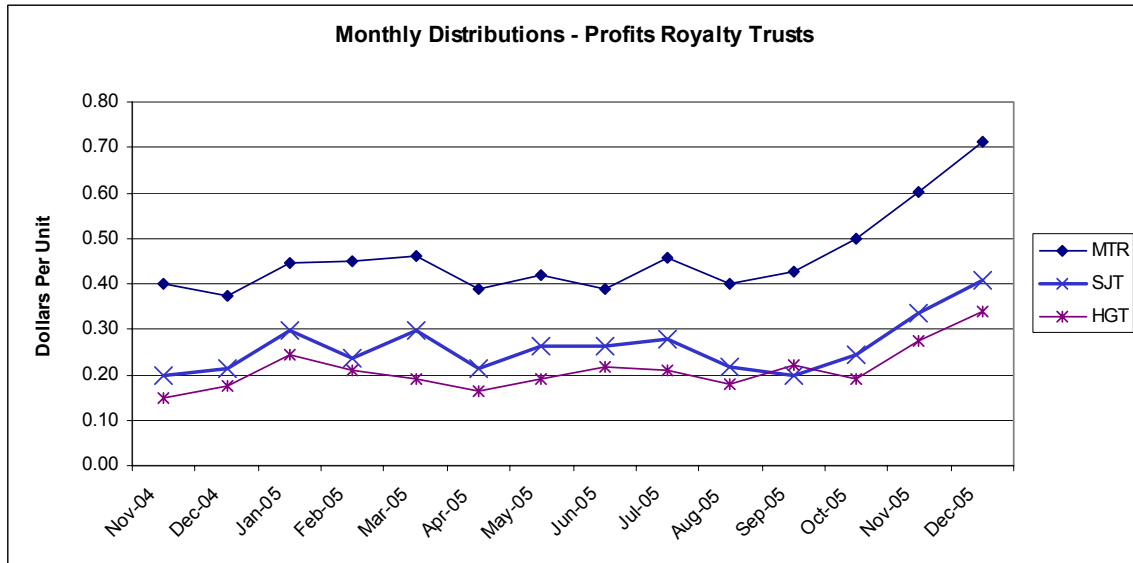


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Natural Gas and Oil Royalty Trusts

A Weekly Analysis

December 23, 2005



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

	Symbol/ Rating	Price (\$/sh) 22-Dec 2005	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/un)	Debt/ Present Value	McDep Ratio	
U.S. Royalty Trusts								
Hugoton RoyaltyTrust (46%)	HGT	37.68	18.4	690	34.00	-	1.11	
Cross Timbers Royalty Trust	CRT	49.79	6.0	300	45.00	-	1.11	
Sabine Royalty Trust	SBR	46.51	14.6	680	42.00	-	1.11	
San Juan Basin Royalty Trust	SJT	H	44.19	46.6	2,060	40.00	-	1.10
Permian Basin RT	PBT	15.63	46.6	730	15.00	-	1.04	
Dorchester Minerals, L.P.	DMLP	25.60	28.2	720	26.00	-	0.98	
Mesa RoyaltyTrust	MTR	69.85	1.9	130	75.00	-	0.93	
	<i>Total or Median</i>			5,300			1.10	
Canadian Income Trusts								
Pengrowth Energy Trust	PGH	24.09	159.0	3,830	20.00	0.16	1.17	
Enerplus Resources Fund	ERF	49.44	110.0	5,440	42.00	0.14	1.15	
Penn West Energy Trust	PWTFF	B	32.32	179.1	5,790	0.15	1.13	
Canadian Oil Sands Trust (US\$)	COSWF	B	109.44	93.1	10,190	0.11	0.83	
	<i>Total or Median</i>			25,300		0.14	1.14	

B = Buy, H = Hold

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) 22-Dec 2005	Adjst 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	49.79	18.8	9.6	10.7	10.8	9.2
Sabine Royalty Trust	SBR	46.51	11.6	8.2	9.1	9.1	11.0
San Juan Basin Royalty Trust	SJT	H	44.19	12.1	7.4	8.2	8.8
Permian Basin RT	PBT	15.63	14.9	7.9	8.2	8.8	11.3
Mesa RoyaltyTrust	MTR	69.85	20.0	8.7	8.1	8.7	11.5
Dorchester Minerals, L.P.	DMLP	25.60	11.6	8.2	8.1	11.6	12.1
Hugoton RoyaltyTrust (46%)	HGT	37.68	13.5	6.7	7.4	9.7	10.3
	<i>Median</i>		13.5	8.2	8.2	9.1	11.3
Canadian Income Trusts							
Canadian Oil Sands Trust (US\$)	COSWF	B	109.44	20.0	12.3	10.1	12.2
Pengrowth Energy Trust	PGH	24.09	7.6	5.3	6.2	8.8	10.6
Enerplus Resources Fund	ERF	49.44	8.6	5.3	6.1	9.0	8.7
Penn West Energy Trust	PWTFF	B	32.32	8.0	4.7	5.3	7.7
	<i>Median</i>		8.3	5.3	6.1	8.9	9.3

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2006; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

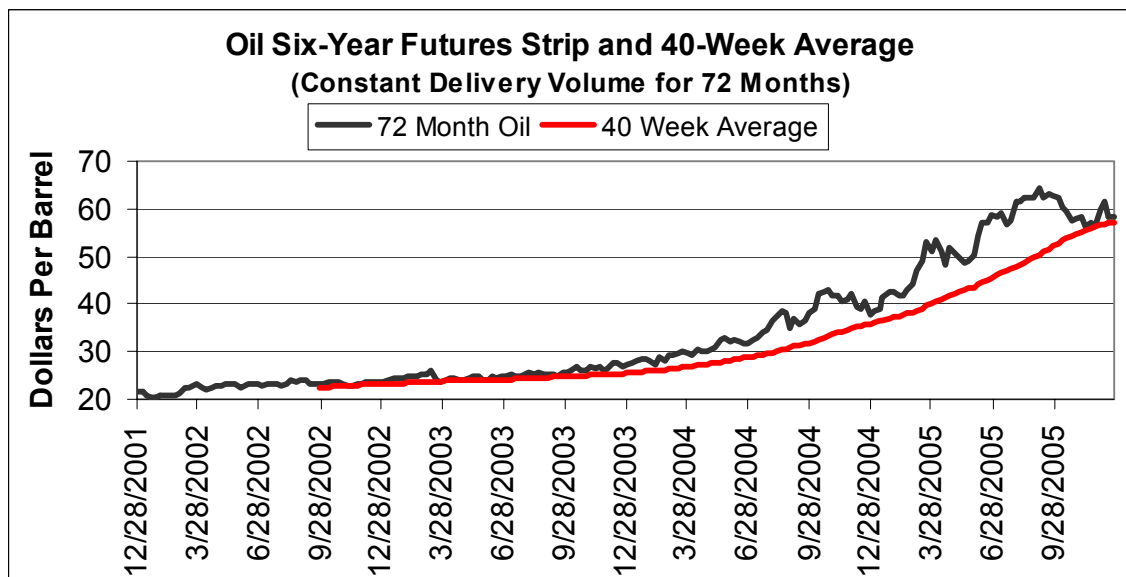
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Natural Gas and Oil Royalty Trusts Rank by NTM Distribution Yield

	Symbol	Revenue Royalty (%)	Natural Gas/ Ebitda (%)	Dist/ Ebitda	Dist/ Equity Ebitda	NTM Distribution (\$mm)	NTM Distribution (\$/un)	Dist. Yield (%)
U.S. Royalty Trusts								
Cross Timbers Royalty Trust	CRT	85	77	0.99	0.99	28	4.60	9.2
Hugoton Royalty Trust (46%)	HGT	-	94	0.76	0.76	71	3.87	10.3
Sabine Royalty Trust	SBR	100	71	1.00	1.00	74	5.10	11.0
San Juan Basin Royalty Trust	SJT	-	99	0.93	0.93	233	5.00	11.3
Permian Basin RT	PBT	30	48	0.93	0.93	83	1.77	11.3
Mesa Royalty Trust	MTR	-	83	0.94	0.94	15	8.03	11.5
Dorchester Minerals, L.P.	DMLP	54	81	0.97	0.97	87	3.10	12.1
<i>Total or Median</i>			81	0.94	0.94	600		11.3
Canadian Income Trusts								
Canadian Oil Sands Trust (US\$)	COSWF	-	(8)	0.27	0.31	318	3.41	3.1
Enerplus Resources Fund	ERF	-	55	0.46	0.54	473	4.30	8.7
Penn West Energy Trust	PWTFF	-	55	0.45	0.53	568	3.17	9.8
Pengrowth Energy Trust	PGH	-	49	0.57	0.68	407	2.56	10.6
<i>Total or Median</i>			52	0.46	0.53	1,800		9.3
Kinder Morgan Energy Partners	KMP			0.75	1.67			6.5

NTM = Next Twelve Months Ended December 31, 2006

Ebitda = Earnings before interest, tax, depreciation and amortization



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