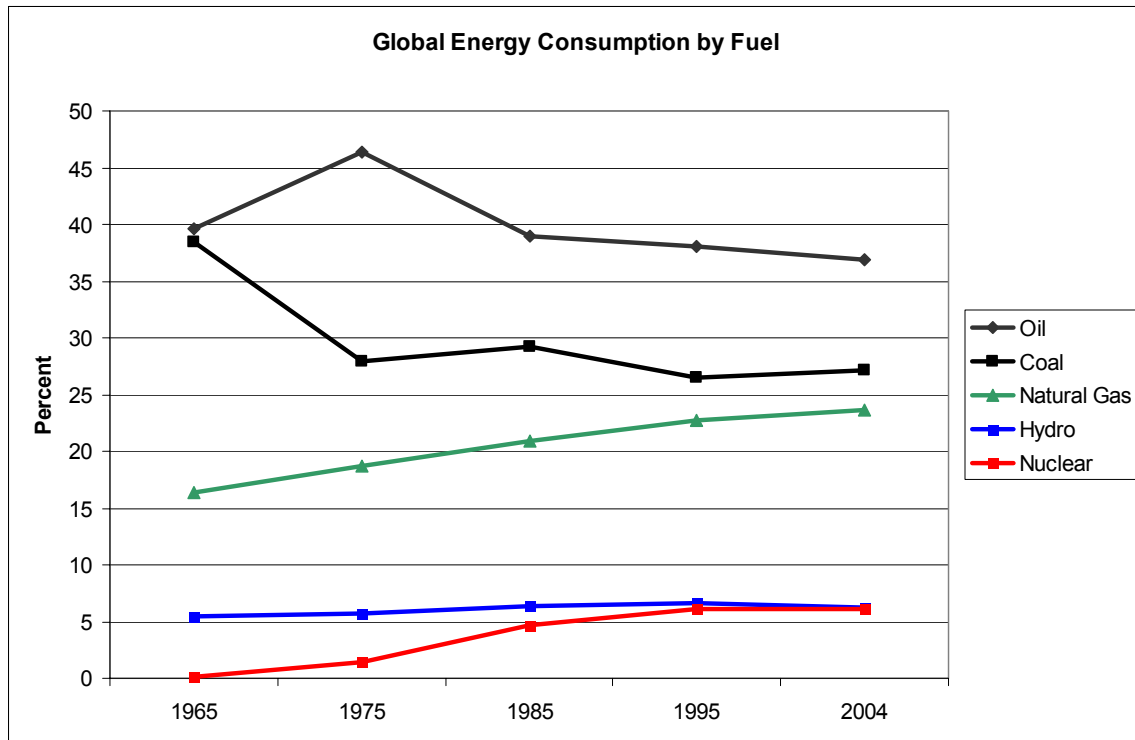


## Growth Fuel

### Summary

Natural gas is the only primary fuel to increase its share of global energy consumption in each of the past four decades according to data from *BP Statistical Review of World Energy June 2005* (see chart [Global Energy Consumption by Fuel](#)). Natural gas wellhead price is also rising faster at 40 times in 40 years, or 10% a year compared to oil at 20 times in 40 years, or 8% a year. Future use of the clean fuel will help offset lessening availability of light oil and help minimize dependence on coal. Meanwhile seven natural gas income stocks offer average estimated distribution yield of 9.3% for the next twelve months and median unlevered cash flow multiple, EV/Ebitda, of 9.6 times.

Kurt H. Wulff, CFA



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**U.S. Natural Gas and Oil Royalty Trusts**

**The Account**

	<i>Symbol</i>	<i>Price (\$/un) 16-Jun 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	41.41	400	16,564	3.64	8.8
San Juan Basin Royalty Trust	SJT	41.25	500	20,625	3.63	8.8
Sabine Royalty Trust	SBR	40.08	400	16,032	3.73	9.3
Dorchester Minerals, L.P.	DMLP	23.20	700	16,240	2.18	9.4
Mesa RoyaltyTrust	MTR	64.15	200	12,830	6.03	9.4
Permian Basin Royalty Trust	PBT	13.93	1,200	16,716	1.36	9.8
Hugoton Royalty Trust	HGT	29.81	500	14,905	3.04	10.2
	<i>Total</i>			<i>113,912</i>		<i>9.3</i>
Futures Strip						
12 Month - Oil (\$/bbl)		58.38				
12 Month - Natural Gas (\$/mmbtu)		8.04				
72 Month - Oil (\$/bbl)		56.91				
72 Month - Natural Gas (\$/mmbtu)		7.14				

**U.S. Natural Gas and Oil Royalty Trusts**

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

	<i>Symbol</i>	<i>Price (\$/sh) 16-Jun 2005</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>EV/ Ebitda NTM</i>	<i>McDep Ratio</i>
San Juan Basin Royalty Trust	SJT	41.25	46.6	1,920	32.00	10.4	1.29
Sabine Royalty Trust	SBR	40.08	14.6	580	33.00	10.7	1.21
Permian Basin RT (41%)	PBT	13.93	19.1	270	12.00	9.4	1.16
Cross Timbers Royalty Trust	CRT	41.41	6.0	250	36.00	11.2	1.15
Hugoton RoyaltyTrust (46%)	HGT	29.81	18.4	550	27.00	8.2	1.11
Dorchester Minerals, L.P.	DMLP	23.20	28.2	660	21.00	9.6	1.10
Mesa RoyaltyTrust	MTR	64.15	1.9	120	60.00	9.5	1.07
	<i>Total or Median</i>			<i>4,400</i>		<i>9.6</i>	<i>1.15</i>

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### U.S. Natural Gas and Oil Royalty Trusts

#### Rank by PV/Ebitda: Present Value to Earnings Before Interest, Tax, Deprec.

	<i>Symbol</i>	<i>Total Present Value (\$mm)</i>	<i>Unit Present Value (\$/mcf)</i>	<i>Reserves (bcf)</i>	<i>Natural Gas/Ebitda (%)</i>	<i>Adjusted Reserves/Production NTM</i>	<i>Revenue Royalty (%)</i>	<i>PV/Ebitda</i>
Cross Timbers Royalty Trust	CRT	216	3.10	70	74	20.0	85	9.8
Sabine Royalty Trust	SBR	481	3.70	130	59	11.8	100	8.9
Mesa RoyaltyTrust	MTR	112	2.58	43	74	20.0	-	8.8
Dorchester Minerals, L.P.	DMLP	593	3.79	157	80	13.5	54	8.7
Permian Basin RT (41%)	PBT	229	2.30	100	40	16.3	30	8.1
San Juan Basin Royalty Trust	SJT	1,491	2.85	523	99	12.0	-	8.1
Hugoton RoyaltyTrust (46%)	HGT	497	2.90	171	92	13.7	-	7.4
<i>Total or Median</i>		3,620		1,194	74	13.7		8.7

### Index of Recent U.S. Royalty Trust Research

#### Single Trust Analyses

<u>Date</u>	<u>Symbol</u>	<u>Stock</u>	<u>Theme</u>
13-May	* DMLP	Dorchester Minerals, L.P.	Royalty Volume Increasing
28-Apr	* SJT	San Juan Basin Royalty Trust	Ten Bagger
24-Mar	* MTR	Mesa Royalty Trust	Long Reserve Life Reported
11-Feb	* HGT	Hugoton Royalty Trust	Improving Volume Trend

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

16-Jun		Growth Fuel
9-Jun		Twilight in the Desert
3-Jun	*	Good Inflation
27-May	*	Understated Reserves
20-May	*	Institutional Longs
13-May	*	The Bottomless Well
6-May	*	Contango and Backwardation Mythology
29-Apr	*	No Debt, No Hedges
	* Archived on <a href="http://www.mcdep.com">www.mcdep.com</a>	

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