

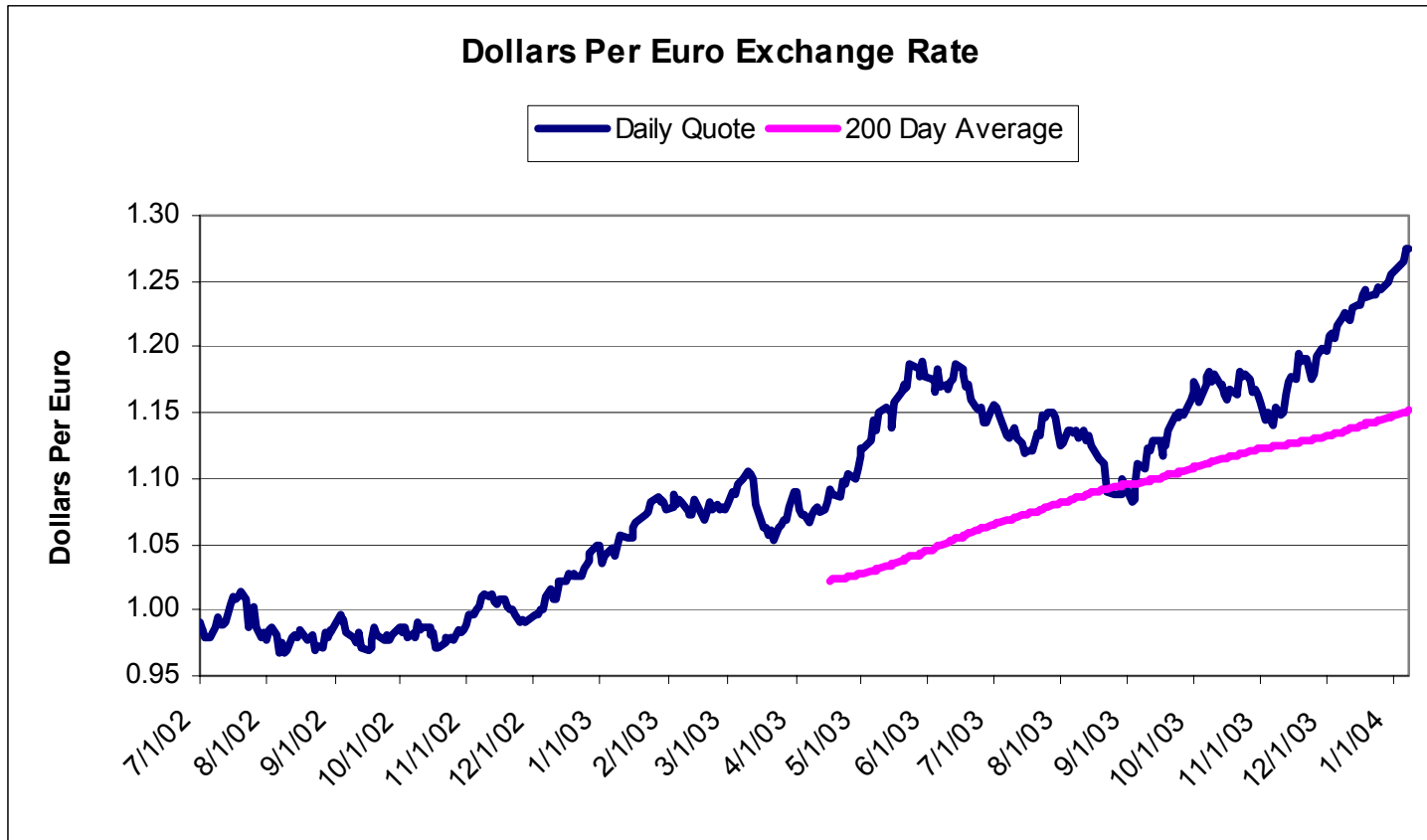
Energy Ideas for Wealth

Presentation to
Investment Managers
January 8, 2004
By
Kurt H. Wulff

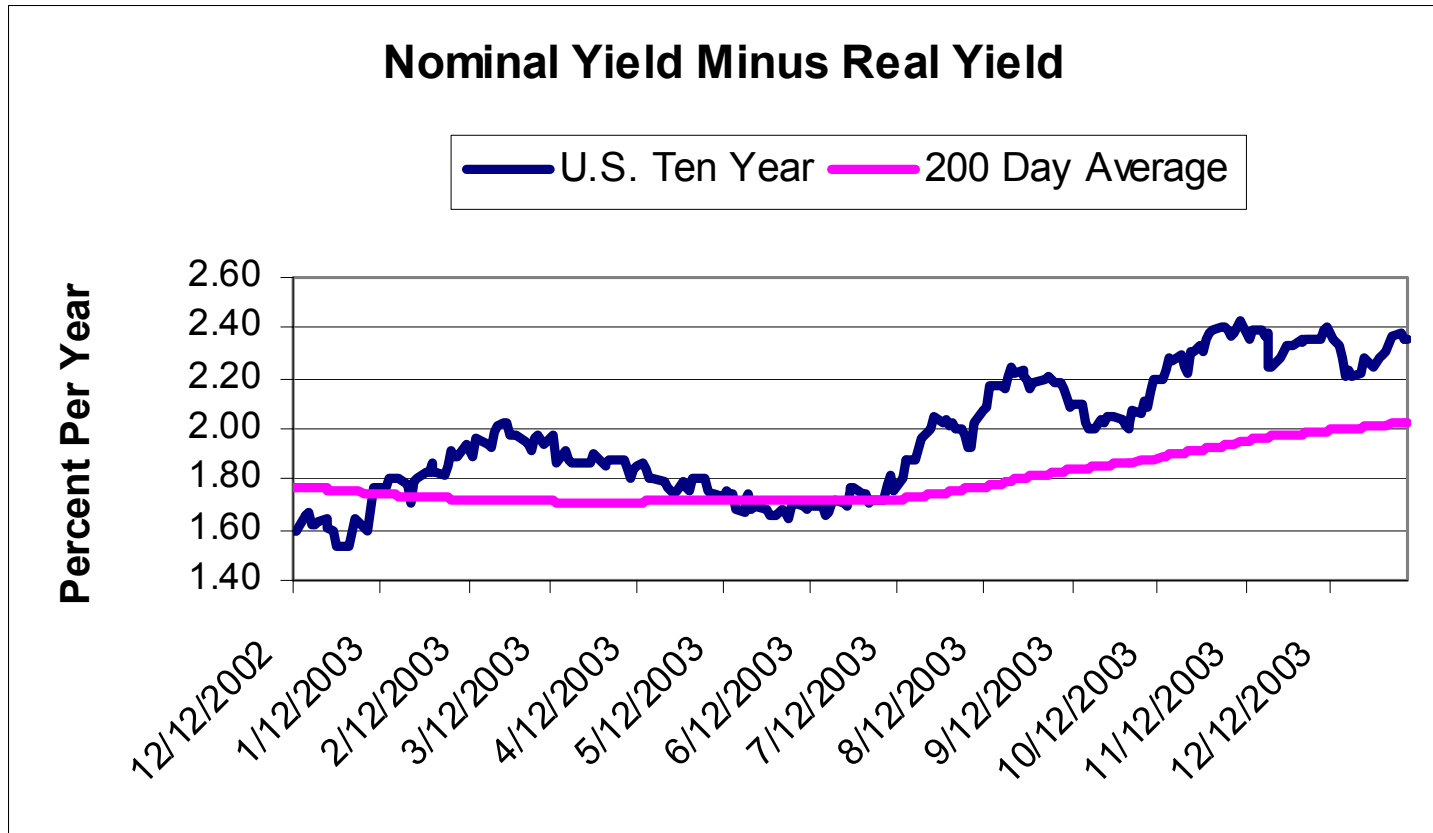
Summary and Recommendation

- Macro Trends Bolster Oil and Gas Stocks
 - Dollar
 - Inflation Expectations
 - Six-Year Oil
- Buy Encana
- Buy Encore Acquisition
- Buy Canadian Oil Sands Trust

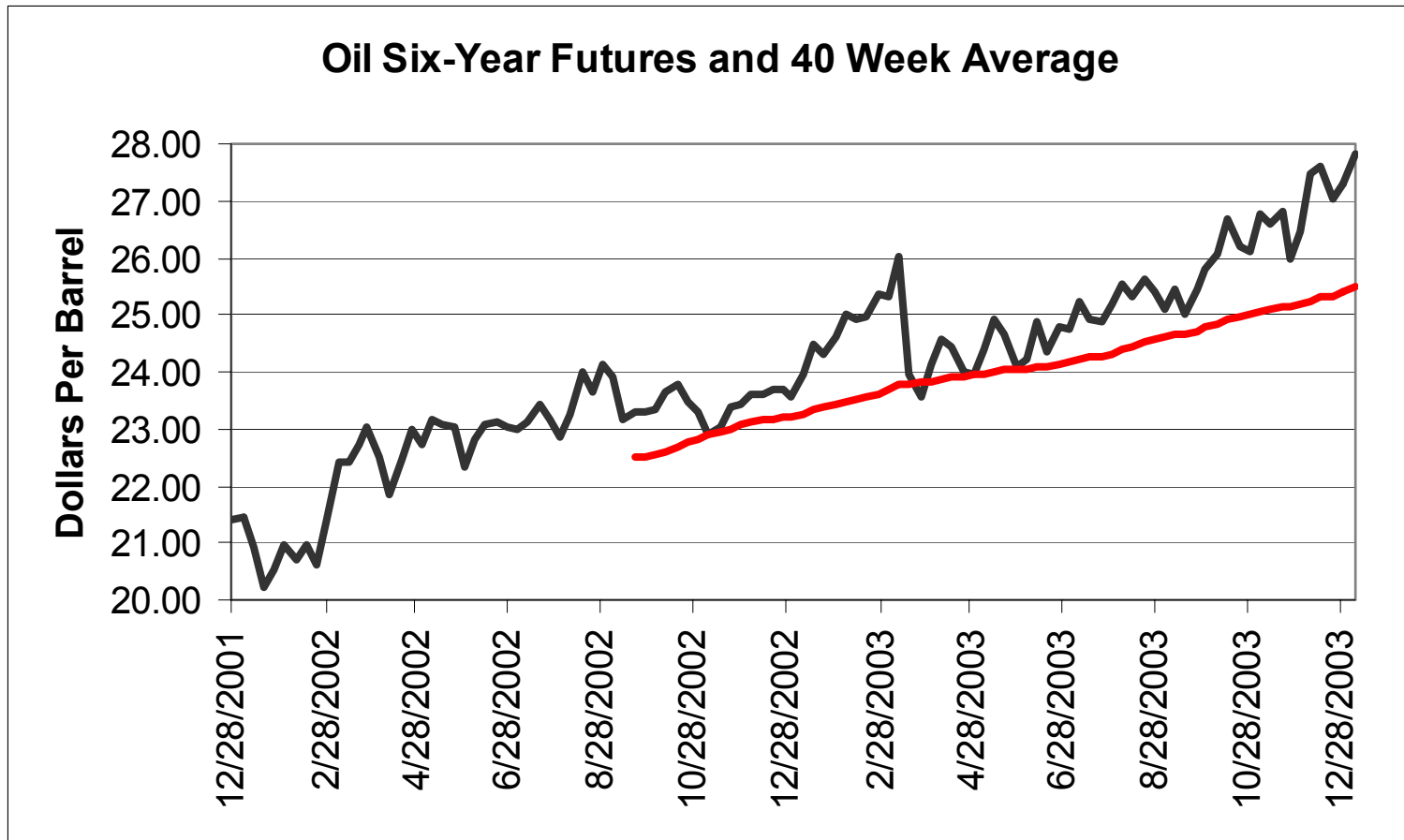
Dollar Risk High



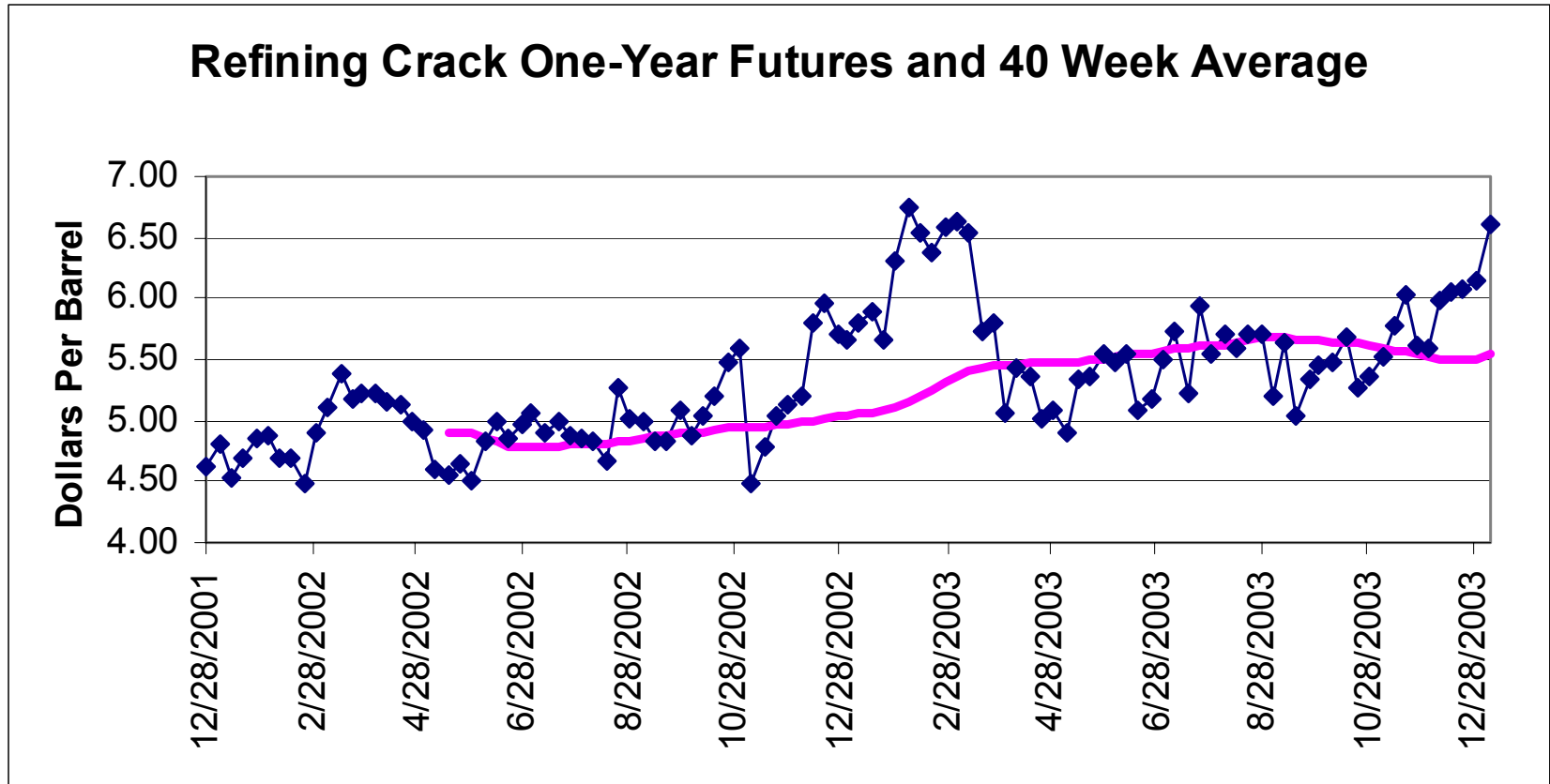
Inflation Expectations Building



Six-Year Oil Rising 10% Per Year



Refining Crack Improving



Mega Cap Core Values

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 7-Jan 2004</i>	<i>Market Cap (\$mm)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
Exxon Mobil Corporation	XOM	40.91	272,000	0.08	1.00
Total S.A.	TOT	91.49	115,400	0.16	0.89
BP plc	BP	48.83	180,000	0.13	0.84
Royal Dutch/Shell	RD B	52.70	183,000	0.16	0.84
ChevronTexaco Corporation	CVX B	86.00	91,500	0.17	0.79
	<i>Total or Median</i>		<i>842,000</i>	<i>0.16</i>	<i>0.84</i>

BP plc

- Real return
 - 3% dividend plus inflation
- Inflation protection
 - 80% of cash from oil and gas production
- Deflation resistance
 - Low debt, stable demand for products
- More tax efficient than taxable bonds
- Amoco successor

Producer/Refiners

Potential to Outperform Mega Caps

	<i>Symbol/ Rating</i>		<i>Price (\$/sh) 7-Jan 2004</i>	<i>Market Cap (\$mm)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
Kinder Morgan, Inc.	KMI S		59.31	7,380	0.80	1.65
Petro-Canada	PCZ		51.39	13,620	0.12	0.96
OAo Lukoil	LUKOY		98.50	21,000	0.10	0.94
Petroleo Brasileiro S. A.	PBR		34.24	37,500	0.28	0.90
ENI S.p.A.	E		94.65	71,500	0.16	0.90
PetroChina Company Ltd (10%)	PTR B		54.03	9,500	0.09	0.85
ConocoPhillips	COP B		66.19	45,000	0.33	0.83
Marathon Oil Corporation	MRO B		33.82	10,480	0.27	0.80
Norsk Hydro ASA (49%)	NHY B		63.23	7,960	0.19	0.73
		<i>Total or Median</i>		<i>253,000</i>	<i>0.19</i>	<i>0.90</i>

Independent Producers Commodity Winners

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 7-Jan 2004</i>	<i>Market Cap (\$mm)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
Occidental Petroleum Corp.	OXY	42.54	16,600	0.26	0.89
CNOOC Limited (19%)	CEO B	41.14	3,210	-	0.86
Apache Corporation	APA	81.66	13,200	0.19	0.89
XTO Energy Inc.	XTO B	27.70	5,160	0.19	0.87
Canadian Natural Resources Limited	CNQ	52.51	7,190	0.34	0.82
Unocal Corporation	UCL	37.21	10,200	0.28	0.80
Encana Corporation	ECA B	41.40	19,500	0.19	0.79
Anadarko Petroleum Corp.	APC B	52.10	13,100	0.26	0.77
Burlington Resources	BR B	55.80	11,200	0.21	0.76
Devon Energy	DVN	57.78	13,900	0.30	0.75

Buy Encana Corporation (ECA)

- Largest independent producer
- 72% North American natural gas
- Growing production profile
 - Rocky Mountain natural gas
 - Coal seam natural gas
 - International oil
- Favorable management record

Buy Encore Acquisition Corp (EAC)

- Small cap independent producer (80% oil)
- Long life – 12 years adjusted R/P index
- Owns most of Cedar Creek Anticline
- Only 12% of oil recovered
- Applying secondary and tertiary recovery
- Production and reserves growing
- Chairman driving force and founder in 4 past successes – SRO, SJT, CRT, XTO

Energy Income Producers

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 7-Jan 2004</i>	<i>Market Cap (\$mm)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
Master Limited Partnerships and Canadian Royalty Trusts					
Kinder Morgan Energy Partners, L.P.	KMP S	47.97	6,720	0.46	2.31
Enerplus Resources Fund	ERF	30.71	2,720	0.15	1.20
Dorchester Minerals, L.P.	DMLP	19.65	530	-	1.16
Pengrowth Energy Trust	PGH	16.38	1,970	0.12	1.15
Canadian Oil Sands Trust (US\$)	COSWF B	35.08	3,040	0.20	0.76
U.S. Royalty Trusts					
Cross Timbers Royalty Trust	CRT	28.50	171	-	1.14
Hugoton Royalty Trust (46%)	HGT	21.96	400	-	1.10
San Juan Basin Royalty Trust	SJT B	22.20	1,040	-	1.01

Buy Canadian Oil Sands Trust

- Sole asset 35% Syncrude Oil Sands Plant
- Equal economic partner Exxon et al
- Low fee, efficient, administration
- Volume growth – 260mbd, 350mbd, plus
- Reserves last practically forever
- Dividend double by 2006, triple by 2007
- Dividend qualifies for 15% U.S. rate
- Potential Ten-Bagger (ten times in ten years)
 - Volume 2X, Dividend/Ebitda 3x, Oil price ?

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