

Meter Reader

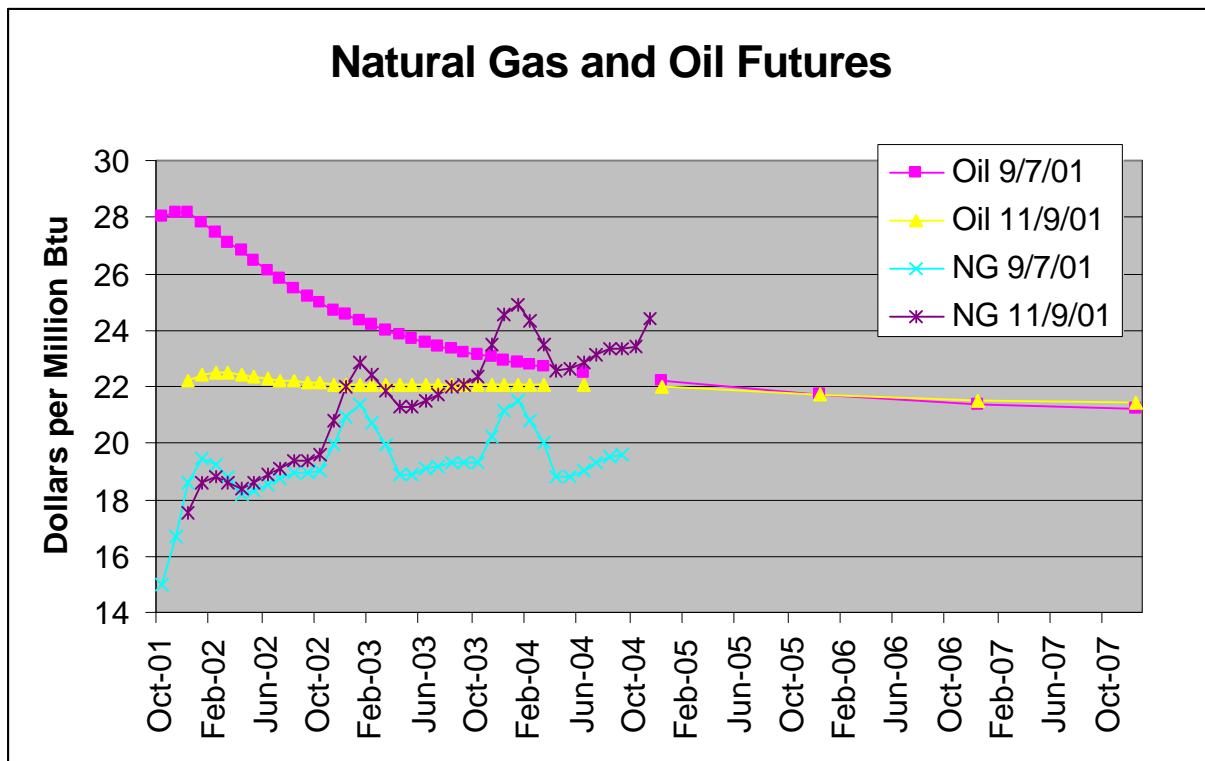
A Weekly Analysis of Energy Stocks Using the McDep Ratio

November 12, 2001

Security Premium for Natural Gas

Summary and Recommendation

Commodity prices appear to be taking a distinct turn toward incorporating a premium for North American natural gas since September 11. Sensitive to market parameters, our calculations of present value of natural gas reserves in royalty trusts have increased for the fifth week straight since bottoming in early October. That makes us confident about recommended natural gas investments including **Burlington Resources (BR)**, **PanCanadian Energy (PCX)**, **Forest Oil (FST)**, and **San Juan Basin Royalty Trust (SJT)**. In an entirely different twist on security, investors seemed to be warming to the largest oil producer in Russia, **AO Lukoil (LUKOY)**, that we add to our coverage as a low McDep Ratio stock. Further extending our international breadth, we complement our recommendation of **PetroChina (PTR)** with the addition to coverage of **CNOOC Limited (CEO)**, the rapidly growing producer offshore China. Back home again, we are concerned about a serious conflict of interest in a new limited partnership we add to coverage in our Trust and Partnership group to contrast with the low cost royalty trust structure. For perspective on new ideas and old, see our ranking of 63 stocks in the valuation tables (Table L-1, L-2, S-1 and S-2).



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Meter Reader

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November 12, 2001

Short Term Down, Long Term Up in Futures

Futures prices for natural gas in 2004 have risen from a 14% discount to a 6% premium to oil since September 11 (see Chart). Considering the timing it looks like a security premium. We believe that a quality premium is also justified, but that is not what the market is looking at now.

The oil curve has flattened with the front end declining and the back end increasing slightly. The movement captures the idea that the economic weakness reinforced by the terrorist attacks implies lower demand and lower price near term.

The natural gas curve has steepened. The front end was already down reflecting lower seasonal demand and no place to put all of the gas we could produce today. But the temporary surplus is only a sliver of supply and demand. Meanwhile we are in a war with indeterminate consequences. And North American natural gas is our most secure major source of energy. The increasing back end of the natural gas curve seems to reflect that sentiment.

Possibly the collapse of Enron may be distorting markets. Since that information will not be known publicly until after the fact, if ever, we need to make a judgment now. We think a natural gas premium is reasonable and likely to be asserted in the markets eventually regardless of Enron.

A rising commodity price curve, also known as *contango*, is bullish for long-term investors. The implication is to buy natural gas stocks when short-term investors focus on the low front end of the curve. Yet the futures curve is quite steep. The high back end implies returns in a few years that amply justify current commitments.

Rising Present Value Ratifies Burlington Resources' Acquisition Timing

Rising futures prices contribute to gains in the value of future cash flow from natural gas production. Declining interest rates also make a dollar to be received in the future more valuable in discounted form today. Both factors contribute to a higher present value of natural gas resources. Thus the acquisition by Burlington Resources of Canadian Hunter, announced a month ago, appears well timed. Yet the stock price for Strong Buy Burlington Resources remains depressed, near the same as a month ago and down some 27% year to date.

We wrestle with ourselves as to whether we should keep recommending a stock that doesn't perform as well as it ought. The problem with the stock is management's record as we have amply chronicled, diplomatically, we hope. A new leader who could gain the confidence of investors would make a huge difference. The first place to look for new leadership is from the Board of Directors. Failing that, the company seems ripe for an active investor who would recommend replacing management. Finally, the company has

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Meter Reader

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November 12, 2001

to be a prime target for acquisition. There is a unique opportunity for a well-capitalized buyer to make a timely bet on an undervalued resource, in our opinion.

Meanwhile there are many other opportunities out there. Next we discuss one of our favorite smaller cap participations in natural gas. Then we introduce overseas participations that offer even more resource potential though cloaked with different political risk.

Forest Oil and Small Cap Natural Gas Producers Well Positioned

By the signs we see, natural gas production should be a good business in the next few years. There are likely to be several top performers in our small cap category. Some of the stocks with higher McDep Ratios may have higher potential. The highest McDep Ratio stock also has high debt. Some of the lower McDep Ratio stocks have short reserve lives implying less predictability.

After updating estimates for latest operating results and futures prices, we continue to recommend Forest Oil as a reasonable investment choice from a valuation point of view. We have been tracking the stock for decades and have rarely if at all recommended it. At times the company distinguished itself as in the Gulf of Mexico. At other times it had too much debt. Meanwhile management seemed top heavy with members from the same family. Total return to stockholders has been undistinguished particularly during years of hard times in the industry. Forest Oil today is a changed company as we discuss in our analysis.

Listening to the conference call last week we are further encouraged. Reserve additions during the first nine months were somewhat better than the three-fold replacement rate we mentioned. Moreover the source of gains was all in North America, leaving South Africa for future additions. While the Cook Inlet of Alaska accounted for half the gains, there appears to be more good news ahead for that area also.

We like announcement of a deal with Anadarko to explore on Forest's lands in the Fort Liard area just across the border from Alberta in Canada's Northwest Territories. That is the practical leading edge of natural gas exploration where drilling has been light and yet pipeline access is available.

Investors can expect Forest stock to perform in part like its peers - sometimes volatile. We think the stock has some valuation advantage and it appears to be well positioned to benefit with any favorable developments.

Lukoil Increases Oil Production in Russia

We have been intrigued with investing in oil in Russia, as have most oil companies. Fortunately we haven't lost much by not being more involved so far. While we are still

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Meter Reader

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November 12, 2001

cautious, the world is constantly changing. Russia has never been closer to the political mainstream than it has been in recent weeks. Economically, the steep decline in Russian oil production has been arrested and oil exports are growing. Those changes give us the impetus to add the first major Russian oil company, OAO Lukoil, to our coverage.

As in China, oil and gas is less developed in Russia, implying more growth potential to existing production. There is also extra potential for improving the efficiency and profitability of existing production in Russia. As is any country, there is risk that investors may be disadvantaged. Nonetheless, Russian oil justifies some commitment by investors although we are not prepared to recommend any specific amount yet.

Lukoil produces about two-thirds the oil and gas that PetroChina produces yet has only half the market cap. That may be explained by the fact that Lukoil has only a third the cash flow of PetroChina. However most of Lukoil is publicly held while only 10% of government-controlled PTR trades publicly. As a result we classify Lukoil as a Large Cap stock and PTR as a Mid Cap. Estimated present value at 6.0 times next twelve months cash flow, the lowest multiple in the group, implies a McDep Ratio at the low end.

CNOOC Offers Resource Growth Offshore China

The initials in CNOOC Limited stand for China National Offshore Oil Company, owner of 81% of the publicly traded entity. Investors will find the stock in our Small Cap Natural Gas and Oil Producer as we count only the \$1.5 billion of market cap of the publicly traded shares for our classification purposes.

While recommended PetroChina is China's large major integrated oil company, CNOOC Limited (CEO) is its rapidly growing independent producer. CEO has the rights to practically all of China's offshore oil and gas resources. All of the international oil explorers and producers active in China waters are partners of CEO.

CEO seems sure to grow with new discoveries in its lightly explored territory and with the development of discoveries already made. The company expects to double production in five years. Current revenues derive 88% from oil production at a proven developed reserve life of 7 years with proven undeveloped reserves exceeding the amount developed. Natural gas reserves, mostly undeveloped, are half as large as oil reserves.

To start valuing CEO we project next twelve months cash flow with production at the current rate. We could stop there and note that CEO is priced at an unlevered cash flow multiple (EV/Ebitda) of 4.7 times, second lowest in the Small Cap group (see Table S-2).

Taking the calculation further we apply a minimal multiple of 6.0 times compared to a median 7.5 times for 12 small cap stocks. Yet CEO's adjusted reserve life, counting undeveloped reserves as half as much per unit as developed reserves, is 13 years

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Meter Reader

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compared to a median 8 years. A longer reserve life justifies a higher multiple of present value to cash flow. We ignore any value for unusual exploration potential. Cash flow from oil production may not justify a multiple as high as for gas production in North America. Government control of the company justifies a reduction in multiple.

Cash flow times a multiple leads to present value, the denominator of the McDep Ratio. On that basis, CEO's McDep Ratio is among the lowest (see Table S-1). We look forward to giving the stock a formal rating, as we get more familiar with it.

Limited Partnership Investors Beware

An initial public offering of **Penn Virginia Resource Partners, L.P. (PVR)** tapped willing buyers attracted by a high current payout from valuable coal resources. The new stock joins our Trust and Partnership Group at a high McDep Ratio (see Table S-1). Stated in different terms, the properties also have a high EV/Ebitda multiple of 12.6 years (see Table S-2).

Penn Virginia Corporation (PVA) retains half the units and the general partnership interest in the coal royalty properties. The parent company's unlevered cash flow multiple is 7.5 years. The stock is in our Small Cap Group (see Table S-2). One of the attractions of forming the partnership was to get a higher multiple for the coal royalty properties than the same properties appeared to attract in the parent company stock. On that score the offering appears quite successful.

Strategically, coal royalties seem to be an attractive asset to own. Coal may be worth considerably more in a different energy environment in the future. Royalties are worth a higher multiple because third parties make the capital investment in new production.

The other attraction to PVA in forming PVR is that the general partnership interest can be quite lucrative. While limited partners may have some downside protection in their 8.3% distribution yield, the general partner gets half the upside if distributions can be increased above a stated level. That arrangement sets up a conflict of interest that should be unacceptable in our opinion.

Since most of cash flow is paid out, the partnership can grow meaningfully only by borrowing money or issuing more units. Then the proceeds can be used to buy more properties that generate the cash flow to pay higher distributions. Ultimately the structure could lead to saddling limited partners with debt to finance distributions to the general partner. A similar financial structure proved to be the downfall of at least one well-known natural gas partnership a decade ago. Investors who compare the 8.3% yield in PVR with other investments, such as the royalty trusts we cover, should be aware of the possible partnership pitfalls.

Kurt H. Wulff, CFA

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Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

November 12, 2001

Table L-1
Mega Cap and Large Cap Energy Companies
Rank by McDep Ratio: Market Cap and Debt to Present Value

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 9-Nov 2001</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
Mega Cap							
Exxon Mobil Corporation	XOM	40.25	6,963	280,000	38.60	0.04	1.04
Royal Dutch/Shell	RD	3	52.27	3,544	185,000	50.80	1.03
ChevronTexaco Corporation	CVX	89.49	1,063	95,200	89.40	0.17	1.00
BP plc	BP	49.33	3,744	185,000	51.50	0.15	0.96
TotalFinaElf S.A.	TOT	69.60	1,406	98,000	86.80	0.14	0.83
	<i>Total or Median</i>			<i>843,000</i>		<i>0.14</i>	<i>1.00</i>
Power							
Dynegy Inc.	DYN	38.76	338	13,100	20.30	0.58	1.39
Calpine Corporation	CPN	4	25.98	377	9,800	14.90	1.28
Mirant Corporation	MIR	26.30	353	9,300	18.60	0.65	1.15
AES Corporation	AES	13.87	543	7,500	8.80	0.83	1.10
Duke Energy Corporation	DUK	39.66	773	30,700	35.80	0.43	1.06
El Paso Corporation	EPG	49.53	532	26,300	48.60	0.47	1.01
American Electric Power Co. Inc.	AEP	2	44.54	322	14,300	45.50	0.61
Enron Corp.	ENE	8.63	913	7,900	9.50	0.77	0.98
Williams Companies	WMB	29.80	515	15,300	32.30	0.47	0.96
Southern Company	SO	24.18	683	16,500	27.40	0.42	0.93
Dominion Resources	D	62.70	247	15,500	79.40	0.45	0.88
Exelon Corporation	EXC	2	43.75	323	14,100	78.60	0.42
	<i>Total or Median</i>			<i>157,000</i>		<i>0.47</i>	<i>0.99</i>
Natural Gas and Oil							
Occidental Petroleum Corp.	OXY	26.02	372	9,700	32.20	0.46	0.90
Anadarko Petroleum Corp.	APC	59.17	250	14,800	73.30	0.22	0.85
Phillips Petroleum Company	P	56.55	383	21,600	76.30	0.29	0.82
Unocal Corporation	UCL	32.92	257	8,500	49.00	0.29	0.77
ENI S.p.A.	E	62.22	789	49,100	86.20	0.17	0.77
Devon Energy (incl MND,AXN)	DVN	38.74	165	6,400	66.40	0.43	0.76
Conoco Inc.	COC	26.98	636	17,200	42.40	0.32	0.75
Burlington Resources (incl HTR)	BR	1	36.89	205	7,600	57.60	0.28
OAo Lukoil	LUKOY	51.00	299	15,300	75.30	0.08	0.70
Marathon Oil Corporation	MRO	1	28.11	310	8,700	49.20	0.24
	<i>Total or Median</i>			<i>149,000</i>		<i>0.28</i>	<i>0.76</i>
Service							
Baker Hughes Inc.	BHI	37.24	338	12,600	24.50	0.13	1.45
Schlumberger Ltd.	SLB	49.74	581	28,900	44.00	0.12	1.12
Halliburton Company	HAL	22.76	430	9,800	27.20	0.13	0.86

Buy/Sell rating after symbol: 1 - Strong Buy, 2 - Buy, 4 - Sell

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Table L-2
Mega Cap and Large Cap Energy Companies
Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 9-Nov 2001</i>	<i>EV/ Sales 2001E</i>	<i>EV/ Ebitda NTM</i>	<i>P/E NTM</i>	<i>Dividend or Distribution NTM (%)</i>	<i>PV/ Ebitda NTM</i>
Mega Cap							
Exxon Mobil Corporation	XOM	40.25	1.3	9.4	19	2.3	9.0
Royal Dutch/Shell	RD	52.27	1.1	9.2	21	2.7	9.0
ChevronTexaco Corporation	CVX	89.49	1.2	9.0	21	2.9	9.0
BP plc	BP	49.33	1.1	8.7	19	2.7	9.0
TotalFinaElf S.A.	TOT	69.60	1.4	7.5	14	2.6	9.0
	<i>Median</i>		<i>1.2</i>	<i>9.0</i>	<i>19</i>	<i>2.7</i>	<i>9.0</i>
Power							
Dynegy Inc.	DYN	38.76	0.6	12.5	18	0.8	9.0
Calpine Corporation	CPN	25.98	2.5	11.6	14	-	9.0
Mirant Corporation	MIR	26.30	0.6	10.3	12	-	9.0
AES Corporation	AES	13.87	3.5	9.9	11	-	9.0
Duke Energy Corporation	DUK	39.66	0.8	9.6	15	2.8	9.0
El Paso Corporation	EPG	49.53	0.9	9.1	14	1.7	9.0
American Electric Power Co. Inc.	AEP	44.54	0.6	8.9	12	5.4	9.0
Enron Corp.	ENE	8.63	0.2	8.8	5	5.8	9.0
Williams Companies	WMB	29.80	2.6	8.6	12	2.4	9.0
Southern Company	SO	24.18	2.8	8.4	15	5.5	9.0
Dominion Resources	D	62.70	3.5	8.0	14	4.1	9.0
Exelon Corporation	EXC	43.75	2.1	6.7	10	3.9	9.0
	<i>Median</i>		<i>1.5</i>	<i>9.0</i>	<i>13</i>	<i>2.6</i>	<i>9.0</i>
Natural Gas and Oil							
Occidental Petroleum Corp.	OXY	26.02	1.5	8.1	14	3.8	9.0
Anadarko Petroleum Corp.	APC	59.17	2.9	7.6	19	0.5	9.0
Phillips Petroleum Company	P	56.55	0.8	6.9	14	2.5	8.5
Unocal Corporation	UCL	17.11	2.4	6.6	25	2.4	8.5
Burlington Resources (incl HTR)	BR	36.89	4.2	6.3	25	1.5	8.5
ENI S.p.A.	E	62.22	1.5	6.1	12	2.9	8.0
Devon Energy (incl MND,AXN)	DVN	38.74	3.1	5.7	16	0.5	7.5
Conoco Inc.	COC	26.98	0.8	5.6	12	2.8	7.5
Marathon Oil Corporation	MRO	28.11	0.4	4.4	8	3.3	6.5
OAOLukoil	LUKOY	51.00	1.3	4.2	9	2.1	6.0
	<i>Median</i>		<i>1.5</i>	<i>6.2</i>	<i>14</i>	<i>2.5</i>	<i>8.3</i>
Service							
Baker Hughes Inc.	BHI	37.24	2.3	11.6	26	1.2	9.0
Schlumberger Ltd.	SLB	49.74	2.6	8.9	25	1.5	9.0
Halliburton Company	HAL	22.76	0.8	6.9	15	2.2	9.0

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2002; P/E = Stock Price to

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	Symbol/ Rating	Price (\$/sh) 9-Nov 2001	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio		
Power									
	Consol Energy Inc.	CNX	25.00	79	2,000	35.90	0.51	0.85	
	CMS Energy Corporation	CMS	23.13	128	3,000	48.30	0.62	0.80	
	Sempra Energy	SRE	24.00	203	4,900	41.70	0.50	0.79	
	Constellation Energy Group	CEG	24.98	152	3,800	56.50	0.35	0.64	
	<i>Total or Median</i>				13,700		0.51	0.80	
Natural Gas and Oil									
	Imperial Oil Limited (30%)	IMO	27.96	119	3,300	25.80	0.12	1.07	
	Ocean Energy, Inc.	OEI	19.27	178	3,400	20.60	0.29	0.95	
	PanCanadian Energy	PCX	2	26.91	262	7,050	32.10	0.14	0.86
	Murphy Oil Corporation	MUR	78.27	46	3,600	94.60	0.16	0.86	
	Norsk Hydro ASA (49%)	NHY	39.06	127	5,000	51.90	0.19	0.80	
	Valero Energy Corp.(with UDS)	VLO	39.48	110	4,400	67.70	0.44	0.77	
	Petro-Canada	PCZ	25.19	267	6,700	34.40	0.08	0.75	
	PetroChina Company Ltd (10%)	PTR	2	18.50	176	3,300	27.00	0.16	0.74
	<i>Total or Median</i>				36,800		0.16	0.83	
Small Cap									
	Quicksilver Resources Inc.	KWK	17.10	19.3	330	11.90	0.56	1.19	
	Spinnaker Exploration Company	SKE	43.99	28.3	1,250	38.40	-	1.14	
	XTO Energy Inc.	XTO	18.82	124.0	2,330	17.60	0.29	1.05	
	Penn Virginia Corporation	PVA	36.80	9.0	330	39.60	0.09	0.94	
	Magnum Hunter Resources, Inc.	MHR	10.50	36.8	390	11.70	0.33	0.93	
	Southwestern Energy Company	SWN	11.34	25.6	290	15.80	0.46	0.85	
	Encore Acquisition Corp. (25%)	EAC	13.60	7.5	102	16.80	0.15	0.84	
	Stone Energy Company	SGY	39.65	26.4	1,050	48.70	0.09	0.83	
	Swift Energy Company	SFY	22.21	24.8	550	29.10	0.26	0.82	
	Newfield Exploration Company	NFX	33.49	49.3	1,650	48.00	0.18	0.75	
	Forest Oil Corporation	FST	2	27.42	48.5	1,330	42.50	0.25	0.73
	CNOOC Limited (19%)	CEO	19.55	78	1,530	25.00	-	0.79	
	<i>Total or Median</i>				10,800		0.18	0.84	
Trusts and Partnerships									
	Penn Virginia Res. Part, L.P.(48%)	PVR	24.15	7.5	180	15.70	-	1.26	
	TEPPCO Partners, L.P.	TPP	35.61	39	1,380	21.20	0.62	1.26	
	Dorchester Hugoton, Ltd.	DHULZ	12.01	10.7	129	11.80	-	1.02	
	Cross Timbers Royalty Trust	CRT	17.15	6.0	103	19.70	-	0.87	
	Hugoton RoyaltyTrust	HGT	10.90	40.0	440	15.70	-	0.69	
	San Juan Basin Royalty Trust	SJT	2	10.70	46.6	500	16.10	-	0.66
	<i>Total or Median</i>				2,730		-	0.94	
Micro Cap									
	Abraxas Petroleum Corporation	ABP	1.51	23.6	36	1.10	0.92	1.03	
	Energy Partners Ltd.(30%)	EPL	2	7.05	8.1	57	11.00	0.15	0.70
	Purcell Energy, Ltd. (US\$)	PEL.TO	1.96	26.6	52	3.60	0.09	0.58	

Buy/Sell rating after symbol: 1 - Strong Buy, 2 - Buy, 3 - Neutral

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

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Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

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Power								
Consol Energy Inc.	CNX	25.00	2.1	7.7	8	4.5	9.0	
CMS Energy Corporation	CMS	23.13	0.9	7.2	8	6.3	9.0	
Sempra Energy	SRE	24.00	1.1	7.1	9	4.2	9.0	
Constellation Energy Group	CEG	24.98	1.7	5.7	8	1.9	9.0	
	<i>Median</i>		<i>1.4</i>	<i>7.2</i>	<i>8</i>	<i>4.3</i>	<i>9.0</i>	
Natural Gas and Oil								
Imperial Oil Limited (30%)	IMO	27.96	1.1	9.7	23	1.9	9.0	
Murphy Oil Corporation	MUR	78.27	0.9	6.8	25	1.9	8.0	
Ocean Energy, Inc.	OEI	19.27	4.1	6.7	21	0.8	7.0	
PanCanadian Energy	PCX	2	26.91	1.2	6.0	12	1.0	7.0
Valero Energy Corp.(with UDS)	VLO		39.48	0.3	5.4	6	1.0	7.0
Petro-Canada	PCZ		25.19	1.4	5.3	12	1.0	7.0
Norsk Hydro ASA (49%)	NHY		39.06	0.7	4.0	10	2.7	5.0
PetroChina Company Ltd (10%)	PTR	2	18.50	1.7	3.7	9	10.1	5.0
	<i>Median</i>		<i>1.1</i>	<i>5.7</i>	<i>12</i>	<i>1.5</i>	<i>7.0</i>	
Small Cap								
Quicksilver Resources Inc.	KWK		17.10	5.2	11.9	-	10.0	
XTO Energy Inc.	XTO		18.82	5.6	8.4	21	0.2	8.0
Spinnaker Exploration Company	SKE		43.99	6.9	8.0	29	-	7.0
Penn Virginia Corporation	PVA		36.80	4.4	7.5	24	2.4	8.0
Swift Energy Company	SFY		22.21	5.2	7.4	23	-	9.0
Encore Acquisition Corp. (25%)	EAC		13.60	4.2	7.1	19	-	8.5
Magnum Hunter Resources, Inc.	MHR		10.50	3.9	6.5	-	7.0	
Forest Oil Corporation	FST	2	27.42	2.7	5.9	37	-	8.0
Southwestern Energy Company	SWN		11.34	2.6	5.5	13	-	6.5
Stone Energy Company	SGY		39.65	3.8	5.0	19	-	6.0
CNOOC Limited (19%)	CEO		19.55	3.5	4.7	10	1.2	6.0
Newfield Exploration Company	NFX		33.49	3.3	4.1	12	-	5.5
	<i>Median</i>			<i>3.9</i>	<i>6.5</i>	<i>20</i>	<i>-</i>	<i>7.0</i>
Trusts and Partnerships								
Penn Virginia Res. Part, L.P.(48%)	PVR		24.15	9.7	12.6	14	8.3	10.0
TEPPCO Partners, L.P.	TPP		35.61	0.7	12.6	17	6.5	10.0
Dorchester Hugoton, Ltd.	DHULZ		12.01	7.2	10.7	13	24.7	10.5
Cross Timbers Royalty Trust	CRT		17.15	6.2	10.6	11	8.8	12.2
Hugoton RoyaltyTrust	HGT		10.90	5.1	7.8	12	8.6	11.3
San Juan Basin Royalty Trust	SJT	2	10.70	6.0	7.8	11	9.0	11.7
	<i>Median</i>			<i>6.1</i>	<i>10.6</i>	<i>13</i>	<i>8.7</i>	<i>10.9</i>
Micro Cap								
Abraxas Petroleum Corporation	ABP		1.51	5.7	9.8	-	9.5	
Energy Partners Ltd.(30%)	EPL	2	7.05	2.2	4.5	-	6.5	
Purcell Energy, Ltd. (US\$)	PEL.TO		1.96	2.6	3.5	8	-	6.0

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2002; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy analysis by Kurt Wulff doing business as McDep Associates is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.