



Rating: Buy
 S&P 500: 1396

Canadian Oil Sands Trust Ten-Bagger Distribution

<i>Symbol</i>	COSWF	<i>Ebitda Next Twelve Months ending 3/31/09 (US\$m)</i>	2,730
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	-8
<i>Price (US\$/un)</i>	45.74	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	4/28/08	<i>Adjusted Reserves/Production NTM</i>	23.2
<i>Units (mm)</i>	479	<i>EV/Ebitda</i>	8.5
<i>Market Capitalization (US\$m)</i>	21,910	<i>PV/Ebitda</i>	8.3
<i>Debt (US\$m)</i>	1,200	<i>Undeveloped Reserves (%)</i>	0
<i>Enterprise Value (EV) (US\$m)</i>	23,110	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	63.04
<i>Present Value (PV) (US\$m)</i>	22,800	<i>Present Value Proven Reserves(US\$/boe)</i>	26.70
<i>Net Present Value (US\$/unit)</i>	45	<i>Present Value Proven Reserves(US\$/mcfe)</i>	4.45
<i>Debt/Present Value</i>	0.05	<i>Earnings Next Twelve Months (US\$/un)</i>	4.63
<i>McDep Ratio - EV/PV</i>	1.02	<i>Price/Earnings Next Twelve Months</i>	10
<i>Distribution Yield (%/year)</i>	8.6	<i>Distribution Next Twelve Months (US\$/sh)</i>	3.95
Note: Estimated cash flow and earnings tied to one-year futures prices for oil.			
Present value presumes long-term price for oil, US\$80 a barrel; natural gas, \$11 a million btu.			
For historical analysis of COS since 2002 see www.mcdep.com/4cos.htm			

Summary and Recommendation

The newly declared quarterly distribution for buy-recommended **Canadian Oil Sands Trust (COSWF)** of C\$1 a unit to be paid next month is up ten times in five years, a compound annual growth rate of 58% a year. The increase for U.S. investors is an even greater 14 times in five years, or 70% a year, because the U.S. dollar lost forty percent of its value during that period. The distribution increase was announced with first quarter results reported after the market close on April 28. At latest oil futures prices, projected free cash flow for the next four quarters exceeds the distribution of C\$1 a unit in each quarter (see table Next Twelve Months Operating and Financial Estimates). Meanwhile, NPV is supported by projected cash flow capitalized at unlevered multiples (PV/Ebitda) related to reserve life (Adjusted R/P) (see table Functional Cash Flow and Present Value). Not fully recognized in NPV, remaining recoverable resources, according to fresh estimates by an independent engineer, would allow production for 70 years at a likely further expansion of capacity by 40%. Finally, our long-term oil price assumption of US\$80 a barrel for estimating NPV is looking increasingly outdated as oil price continues to trend upward (see chart Six-Year Commodity Price Meter).

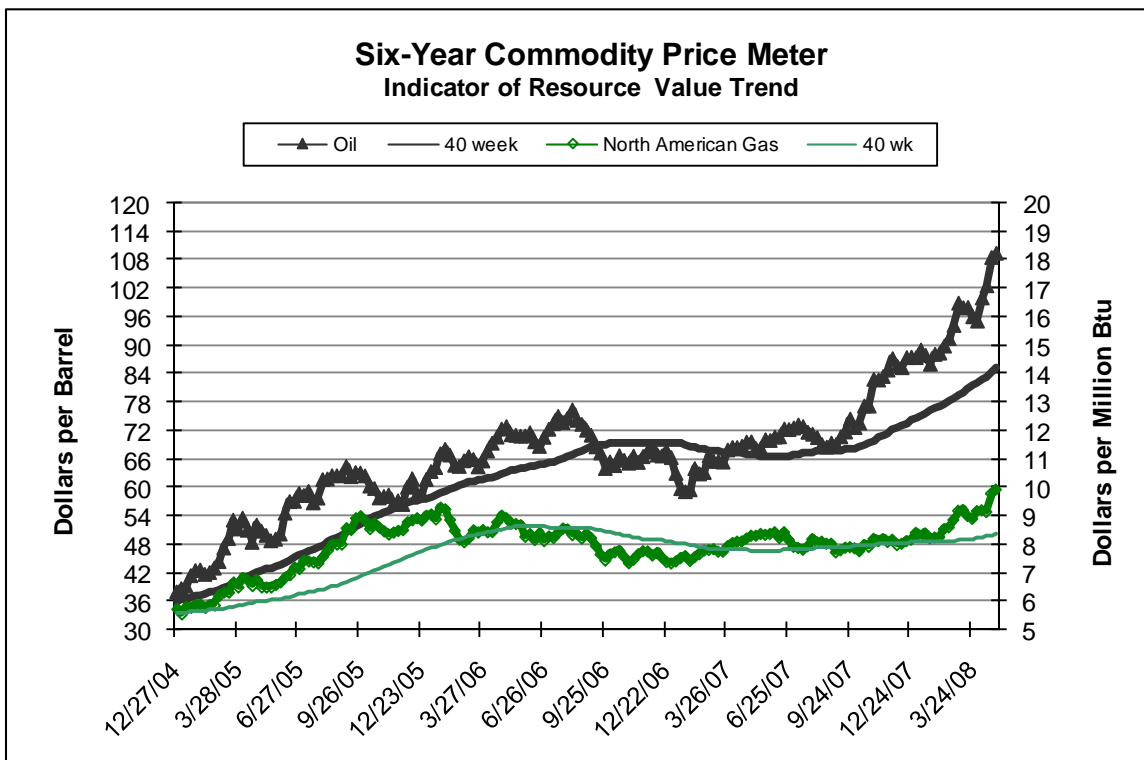
Kurt H. Wulff, CFA



Canadian Oil Sands Trust									
Next Twelve Months Operating and Financial Estimates									
(Canadian Dollars)									
									Next Twelve Months
	Q1	Q4	Year	Q1	Q2E	Q3E	Q4E	Year	
	3/31/07	12/31/07	2007	3/31/08	6/30/08	9/30/08	12/31/08	2008E	3/31/09
Volume									
Syncrude (mmb)	26.6	28.8	111.3	24.4	26.0	26.7	31.3	108.4	115.5
Syncrude (mbd)	296	313	305	268	286	290	340	296	316
Days	90	92	365	91	91	92	92	366	365
Trust share (%)	36.9	37.2	36.8	37.0	36.7	36.7	36.7	36.8	36.7
Trust Oil (mmb)	9.81	10.71	41.0	9.03	9.56	9.80	11.49	39.9	42.4
Trust Oil (mbd)	109.0	116.4	112.3	99.2	105.1	106.5	124.9	109.0	116.2
Price									
WTI Cushing (US\$/bbl)	58.08	90.67	72.28	97.94	116.85	116.98	115.03	111.70	115.57
Currency (US\$/C\$)	0.85	1.02	0.94	1.00	0.99	0.99	0.99	0.99	0.99
WTI Cushing (C\$/bbl)	68.01	88.91	76.78	98.40	118.33	118.46	116.48	112.92	117.03
Differential	0.46	(0.41)	2.24	1.91	1.00	1.00	1.00	1.61	0.88
Trust Oil Price (C\$/bbl)	68.47	88.50	79.02	100.31	119.33	119.46	117.48	114.52	117.91
Henry Hub Nat Gas (US\$/mmBtu)	6.81	6.97	6.87	8.02	10.75	11.49	11.85	10.52	11.58
Henry Hub Nat Gas (C\$/mmBtu)	7.97	6.84	7.30	8.05	10.88	11.64	12.00	10.64	11.73
AECO Natural Gas (C\$/GJ)	6.99	5.84	6.15	7.30	9.86	10.55	10.87	9.65	10.63
Revenue (\$mm)									
Oil	672	947	3,239	905	1,141	1,171	1,350	4,567	5,003
Transportation & Marketing		8	25	10				10	-
Other	2	(11)	(33)	(12)				(12)	-
Total	674	950	3,252	907	1,141	1,171	1,350	4,569	5,003
Expense									
Production	171	234	815	253	253	253	253	1,012	969
Purchased Energy	60	59	219	71	88	96	116	371	421
Crown Royalties	94	137	485	131	178	184	223	716	815
Insurance	3	2	8	2	2	2	2	8	8
Administration	4	6	20	4	4	4	4	16	17
Taxes and Other	1	-	1	-	-	3	3	6	9
Total	333	438	1,548	461	525	542	602	2,130	2,239
Ebitda	341	512	1,704	446	616	629	748	2,439	2,764
Deprec., Deplet., & Amort.	82	91	351	102	86	88	103	380	382
Currency Hedging	(2)	(3)	(11)	(1)				(1)	
Non-Production	18	14	63	17	17	17	17	68	73
Exchange on U.S. Debt	(7)	(5)	(117)	26				26	-
Future Income Tax	(38)	(118)	578	(14)				(14)	-
Ebit	288	533	840	316	513	524	628	1,981	2,309
Interest	24	17	85	17	17	17	17	68	64
Net Income (\$mm)	264	516	755	299	496	507	611	1,913	2,245
Per Unit (\$)	0.55	1.07	1.55	0.62	1.04	1.06	1.28	3.99	4.69
Units (millions)	479	479	487	479	479	479	479	480	479
Cash Flow (\$mm)	201	369	1,567	441	582	595	714	2,304	2,627
Per Unit (\$)	0.42	0.77	3.22	0.92	1.21	1.24	1.49	4.81	5.48
Capital Expend (C\$/unit)	0.07		0.27	0.10	0.15	0.15	0.15	0.55	0.60
Net Free Cash Flow (C\$/unit)	0.35	0.77	2.61	0.82	1.06	1.09	1.34	4.32	4.88
Ratios									
Production (\$/bbl)	17.45	21.84	19.88	28.04	26.47	25.82	22.02	25.38	22.84
Purchased Energy (\$/bbl)	6.10	5.53	5.34	7.86	9.17	9.81	10.11	9.30	9.92
Prod&Purch En (\$/bbl)	23.55	27.37	25.23	35.90	35.64	35.63	32.13	34.69	32.77
Crown Royalties & Taxes	14%	14%	15%	14%	16%	16%	17%	16%	16%
Other Expense (\$/bbl)	0.10	-	0.02	-	-	0.31	0.26	0.15	0.21
Ebitda Margin	51%	54%	52%	49%	54%	54%	55%	53%	55%
Deprec., D.& A (\$/bbl)	8.36	8.50	8.56	11.30	9.00	9.00	9.00	9.52	9.00
Distribution	0.30	0.55	1.65	0.75	1.00	1.00	1.00	3.75	4.00



Canadian Oil Sands Trust					
Functional Cash Flow and Present Value					
	NTM Ebitda	Adjusted	PV/	Present	
	(US\$mm)	R/P	Ebitda	Value	
				(US\$mm)	
Oil	2,730	23.2	8.3	22,760	100%
Debt (US\$mm)					1,200
Net Present Value (US\$mm)					21,560
Shares (mm)					479
Net Present Value (US\$/sh)					45



McDep LLC
Independent Stock Idea

April 29, 2008



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