

McDep Energy Income Producers

A Weekly Analysis of Royalty Trusts and Master Limited Partnerships

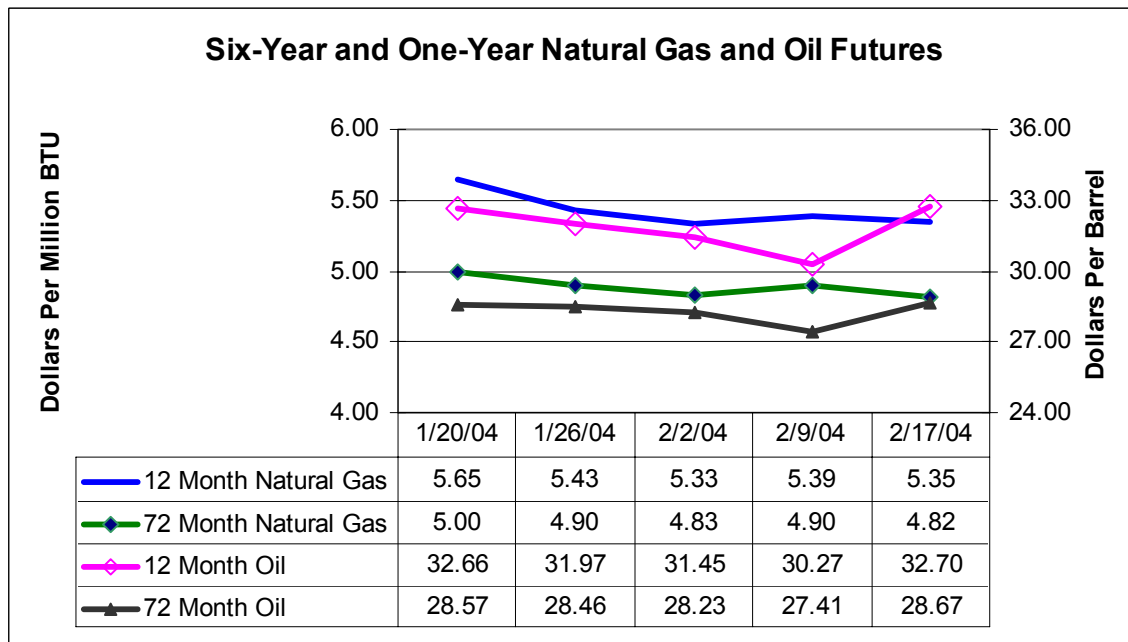
February 18, 2004

When We Were Just Kids

Summary and Recommendation

Buy-recommended **Canadian Oil Sands Trust (COSWF)** seems timely for oil exposure with income. Six-year and one-year oil hit new highs in our weekly check. Mr. Bob Simpson, chairman of **XTO Energy (XTO)**, observed in a recent conference call that oil price seems to be in the early years of an extended run as it was when “we were just kids” thirty years ago. Associated with the creation of four income stocks in our coverage, Mr. Simpson worked at the company that founded **Permian Basin Royalty Trust (PBT)** and buy-recommended **San Juan Basin Royalty Trust (SJT)**. XTO and its predecessor company founded **Cross Timbers Royalty Trust (CRT)** and **Hugoton Royalty Trust (HGT)**. Meanwhile, on February 17, SJT declared a monthly distribution of \$0.13 a unit, within the average \$0.02 deviation from our monthly estimate that for February was \$0.15.

Kurt H. Wulff, CFA



Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

McDep Energy Income Producers

A Weekly Analysis of Royalty Trusts and Master Limited Partnerships

February 18, 2004

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

	Symbol/ Rating	Price (\$/sh) 17-Feb 2004	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Master Limited Partnerships and Canadian Royalty Trusts							
Kinder Morgan Energy Partners, L.P.	KMP S	46.45	140.1	6,510	14.00	0.48	2.20
Kinder Morgan Management, LLC	KMR S	42.78	48.6	2,080	14.00	0.48	2.06
Enerplus Resources Fund	ERF	29.25	88.5	2,590	25.00	0.14	1.15
Pengrowth Energy Trust	PGH	13.92	120.0	1,670	12.00	0.14	1.14
Provident Energy Trust	PVX	8.14	70.6	580	7.50	0.25	1.06
Dorchester Minerals, L.P.	DMLP	17.80	27.0	480	17.00	-	1.05
Canadian Oil Sands Trust (US\$)	COSWF B	36.67	86.9	3,190	50.00	0.23	0.79
<i>Total or Median</i>				<i>17,100</i>		<i>0.23</i>	<i>1.14</i>
U.S. Royalty Trusts							
Sabine Royalty Trust	SBR	29.90	14.6	440	26.00	-	1.15
Permian Basin RT (41%)	PBT	8.39	19.1	160	7.50	-	1.12
Cross Timbers Royalty Trust	CRT	27.65	6.0	166	25.00	-	1.11
Hugoton RoyaltyTrust (46%)	HGT	19.82	18.4	370	20.00	-	0.99
San Juan Basin Royalty Trust	SJT B	19.38	46.6	900	22.00	-	0.88
<i>Total or Median</i>				<i>2,000</i>		<i>-</i>	<i>1.11</i>

Buy/Sell rating after symbol: B - Buy, S - Sell

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

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

	Symbol/ Rating	Price (\$/sh) 17-Feb 2004	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)	PV/ Ebitda NTM
Master Limited Partnerships and Canadian Royalty Trusts							
Kinder Morgan Energy Partners, L.P.	KMP S	46.45	3.3	19.6	23	5.9	8.9
Kinder Morgan Management, LLC	KMR S	42.78	3.1	18.4	22	6.4	8.9
Dorchester Minerals, L.P.	DMLP	17.80	9.0	9.9	24	10.1	9.4
Canadian Oil Sands Trust (US\$)	COSWF B	36.67	4.7	8.8	15	4.2	11.1
Enerplus Resources Fund	ERF	29.25	5.3	7.2	12	11.0	6.3
Pengrowth Energy Trust	PGH	13.92	4.7	6.6	12	13.8	5.8
Provident Energy Trust	PVX	8.14	3.8	5.7	28	13.5	5.3
<i>Median</i>			<i>4.7</i>	<i>8.8</i>	<i>22</i>	<i>10.1</i>	<i>8.9</i>
U.S. Royalty Trusts							
Cross Timbers Royalty Trust	CRT	27.65	8.3	11.6	12	8.4	10.5
Sabine Royalty Trust	SBR	29.90	10.2	10.5	11	9.5	9.2
Permian Basin RT (41%)	PBT	8.39	6.9	9.6	11	8.9	8.6
Hugoton RoyaltyTrust (46%)	HGT	19.82	6.4	8.6	10	9.6	8.7
San Juan Basin Royalty Trust	SJT B	19.38	6.7	8.2	10	9.8	9.3
<i>Median</i>			<i>6.9</i>	<i>9.6</i>	<i>11</i>	<i>9.5</i>	<i>9.2</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.