

# McDep Energy Income Producers

A Weekly Analysis of Royalty Trusts and Master Limited Partnerships

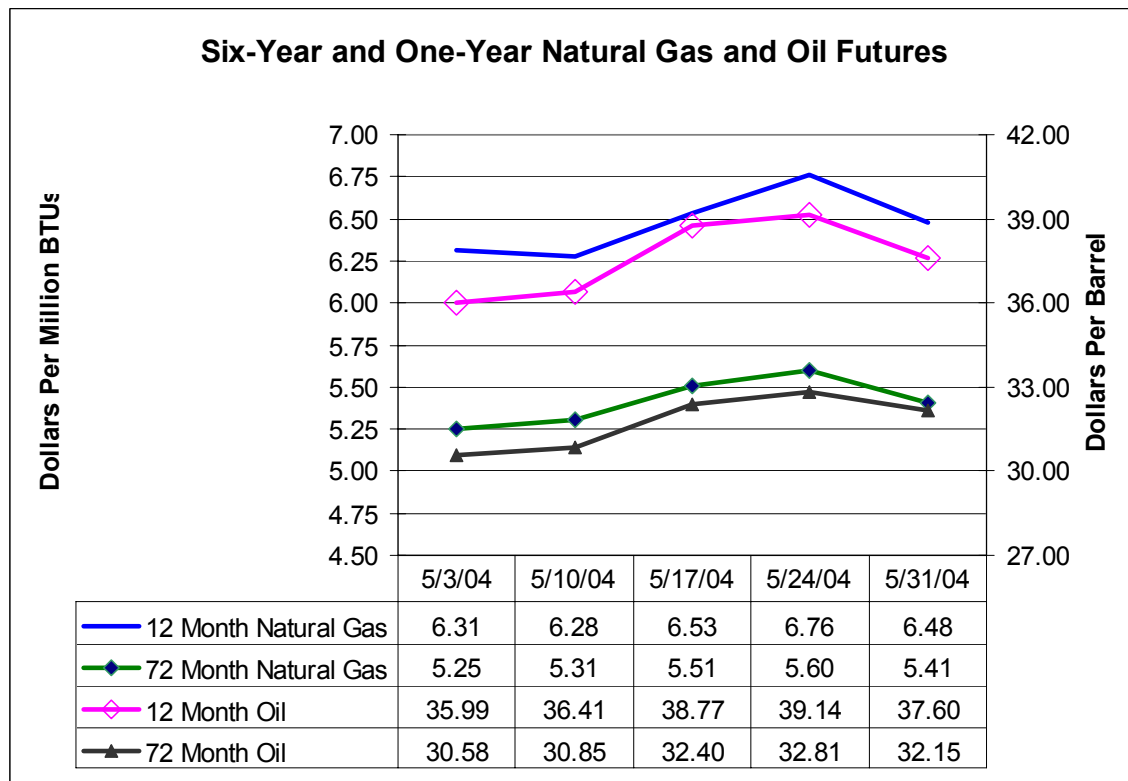
June 1, 2004

## Saudi Alberta

### Summary and Recommendation

In buy-recommended **Canadian Oil Sands Trust (COSWF)**, income investors have a long, long-life oil alternative to energy supply from violence-plagued Saudi Arabia. An overstatement in some respects, the oil sands of Alberta are said to contain as much oil as the Middle Eastern Kingdom. New commitments to COS also appear timely as (1) engineers from **ExxonMobil** and other partners assert more control over construction, (2) high oil price diminishes the need for new financing, (3) management studies two classes of stock as an innocuous resolution of ownership concerns, (4) oil volume now half hedged will be free of price limits in only six months, (5) legislation to limit liability progresses in Alberta and Ontario and (6) the second half approaches bringing expected higher volume.

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Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://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 trade a subject stock within a week before or after a change in rating. 1

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

	Symbol/ Rating	Price (\$/sh) 28-May 2004	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
<b>Master Limited Partnerships and Canadian Royalty Trusts</b>							
Kinder Morgan Energy Partners, L.P.	KMP	S2 40.96	140.1	5,740	14.00	0.48	2.00
Kinder Morgan Management, LLC	KMR	S2 37.45	48.6	1,820	14.00	0.48	1.87
Provident Energy Trust	PVX	8.19	85.0	700	6.20	0.34	1.21
NAV Energy Trust	NVG.UN	7.59	19.0	140	7.00	0.18	1.07
Dorchester Minerals, L.P.	DMLP	17.75	27.0	480	17.00	-	1.04
Pengrowth Energy Trust	PGH	13.13	122.0	1,600	14.00	0.14	0.95
Enerplus Resources Fund	ERF	25.43	90.4	2,300	28.00	0.12	0.92
Canadian Oil Sands Trust (US\$)	COSWF	B1 31.17	86.9	2,710	62.00	0.19	0.60
<i>Total or Median</i>				12,800		0.18	1.07
<b>U.S. Royalty Trusts</b>							
Sabine Royalty Trust	SBR	33.42	14.6	490	27.00	-	1.24
Permian Basin RT (41%)	PBT	8.75	19.1	170	7.70	-	1.13
San Juan Basin Royalty Trust	SJT	B1 22.82	46.6	1,060	22.00	-	1.04
Hugoton RoyaltyTrust (46%)	HGT	22.12	18.4	410	22.00	-	1.01
Cross Timbers Royalty Trust	CRT	28.71	6.0	170	30.00	-	0.96
<i>Total or Median</i>				2,300		-	1.04

Buy/Sell rating after symbol: B1 - Buy full unlevered position, S2 - short quarter unlevered position  
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) 28-May 2004	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)	PV/ Ebitda NTM
<b>Master Limited Partnerships and Canadian Royalty Trusts</b>							
Kinder Morgan Energy Partners, L.P.	KMP	S2 40.96	3.0	17.8	21	6.6	8.9
Kinder Morgan Management, LLC	KMR	S2 37.45	2.8	16.7	19	7.3	8.9
Dorchester Minerals, L.P.	DMLP	17.75	8.1	8.8	16	11.3	8.4
Provident Energy Trust	PVX	8.19	4.6	6.4	13	12.6	5.3
Enerplus Resources Fund	ERF	25.43	4.1	5.7	10	11.8	6.2
Canadian Oil Sands Trust (US\$)	COSWF	B1 31.17	3.5	5.8	9	4.6	9.7
Pengrowth Energy Trust	PGH	13.13	3.7	4.9	7	13.7	5.2
NAV Energy Trust	NVG.UN	7.59	2.6	4.3	12	17.6	4.0
<i>Median</i>			3.7	6.4	13	11.3	8.4
<b>U.S. Royalty Trusts</b>							
Sabine Royalty Trust	SBR	33.42	10.6	11.0	11	9.1	8.9
Cross Timbers Royalty Trust	CRT	28.71	7.7	10.5	11	9.3	11.0
Permian Basin RT (41%)	PBT	8.75	6.0	8.1	9	8.6	7.2
San Juan Basin Royalty Trust	SJT	B1 22.82	6.5	7.9	9	10.6	7.6
Hugoton RoyaltyTrust (46%)	HGT	22.12	5.7	7.4	9	11.6	7.4
<i>Median</i>			6.5	8.1	9	9.3	7.6

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2005; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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