

## McDep Energy Income Producers

A Weekly Analysis of Royalty Trusts and Master Limited Partnerships

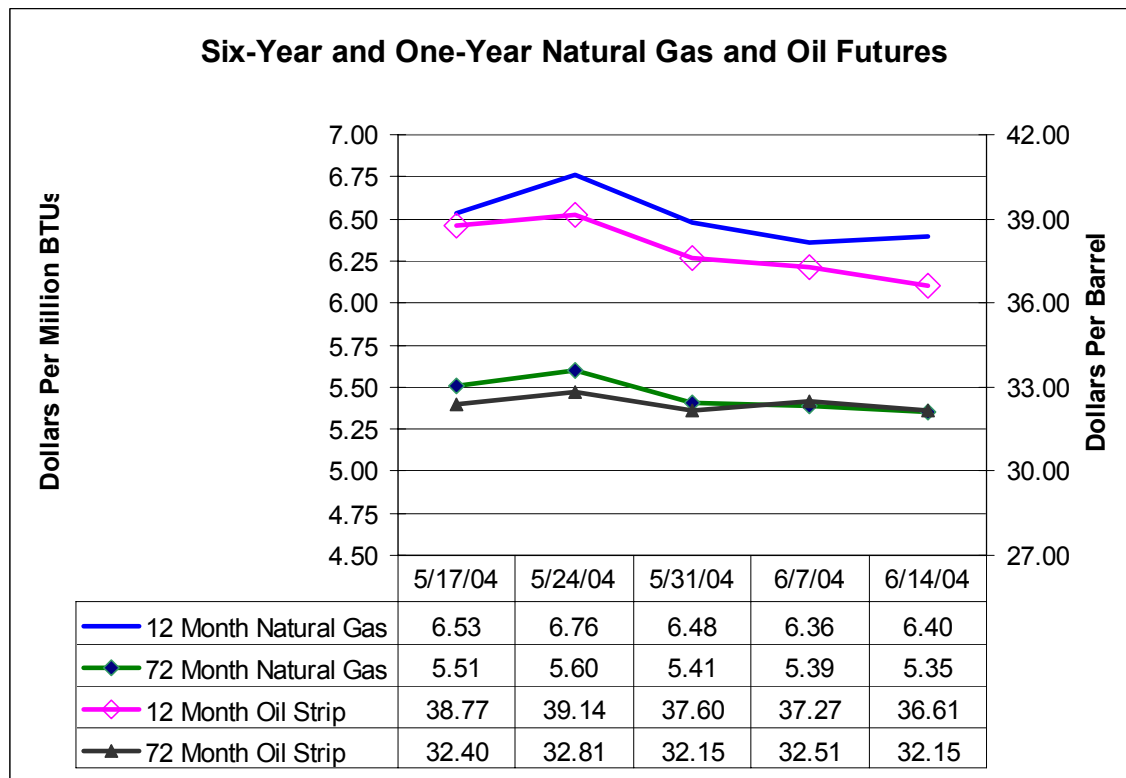
June 15, 2004

### Where the Oil Is

#### Summary and Recommendation

Buy-recommended (B1) **Canadian Oil Sands Trust (COSWF)** offers high potential income, low McDep Ratio investment in the resources of the country that supplies the most imported oil and gas to the U.S. Other Canadian income stocks in our coverage that pay more of their ultimate return in current income with consequently less future appreciation include **Enerplus Resources Fund (ERF)**, **Pengrowth Energy Trust (PGH)**, **Provident Energy Trust (PVX)** and **NAV Energy Trust (NVG.UN)**. With U.S. stock market listings, ERF, PGH and PVX quickly demonstrated that there is more potential demand for Canadian energy income stocks outside Canada than can be readily satisfied. Those U.S. investors willing to go where the oil is and put in a little extra effort to know and own Canadian Oil Sands Trust are likely to be amply rewarded.

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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.

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

	Symbol/ Rating	Price (\$/sh) 14-Jun 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	40.51	145.0	5,870	15.00	0.49	1.87
Kinder Morgan Management, LLC	KMR	S2	36.00	52.7	1,900	15.00	0.49	1.72
Provident Energy Trust	PVX		7.90	85.0	670	6.20	0.35	1.18
Dorchester Minerals, L.P.	DMLP		18.16	27.0	490	17.00	-	1.07
NAV Energy Trust	NVG.UN		7.46	19.0	140	7.00	0.18	1.06
Enerplus Resources Fund	ERF		27.64	90.4	2,500	28.00	0.13	0.99
Pengrowth Energy Trust	PGH		13.21	122.0	1,610	14.00	0.14	0.95
Canadian Oil Sands Trust (US\$)	COSWF	B1	29.50	86.9	2,560	62.00	0.20	0.58
<i>Total or Median</i>					13,200		0.18	1.07
<b>U.S. Royalty Trusts</b>								
Sabine Royalty Trust	SBR		34.22	14.6	500	27.00	-	1.27
Permian Basin RT (41%)	PBT		8.80	19.1	170	7.70	-	1.14
San Juan Basin Royalty Trust	SJT	B1	22.96	46.6	1,070	22.00	-	1.04
Hugoton RoyaltyTrust (46%)	HGT		22.73	18.4	420	22.00	-	1.03
Cross Timbers Royalty Trust	CRT		28.06	6.0	170	30.00	-	0.93
<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) 14-Jun 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	40.51	2.7	15.0	21	6.8	8.0
Kinder Morgan Management, LLC	KMR	S2	36.00	2.5	13.8	18	7.7	8.0
Dorchester Minerals, L.P.	DMLP		18.16	8.7	9.5	17	10.5	8.9
Enerplus Resources Fund	ERF		27.64	4.6	6.6	12	11.3	6.7
Provident Energy Trust	PVX		7.90	4.5	6.4	14	13.5	5.4
Canadian Oil Sands Trust (US\$)	COSWF	B1	29.50	3.6	6.1	9	5.0	10.5
Pengrowth Energy Trust	PGH		13.21	3.9	5.3	8	14.2	5.6
NAV Energy Trust	NVG.UN		7.46	2.5	4.1	10	17.9	3.9
<i>Median</i>				3.9	6.6	14	10.5	8.0
<b>U.S. Royalty Trusts</b>								
Sabine Royalty Trust	SBR		34.22	11.3	11.7	12	8.5	9.3
Cross Timbers Royalty Trust	CRT		28.06	7.8	10.6	11	9.2	11.4
Permian Basin RT (41%)	PBT		8.80	6.3	8.6	9	8.5	7.5
San Juan Basin Royalty Trust	SJT	B1	22.96	6.8	8.3	10	9.9	8.0
Hugoton RoyaltyTrust (46%)	HGT		22.73	6.1	8.0	9	10.6	7.8
<i>Median</i>				6.8	8.6	10	9.2	8.0

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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