

# Natural Gas Royalty Trusts

A Weekly Analysis

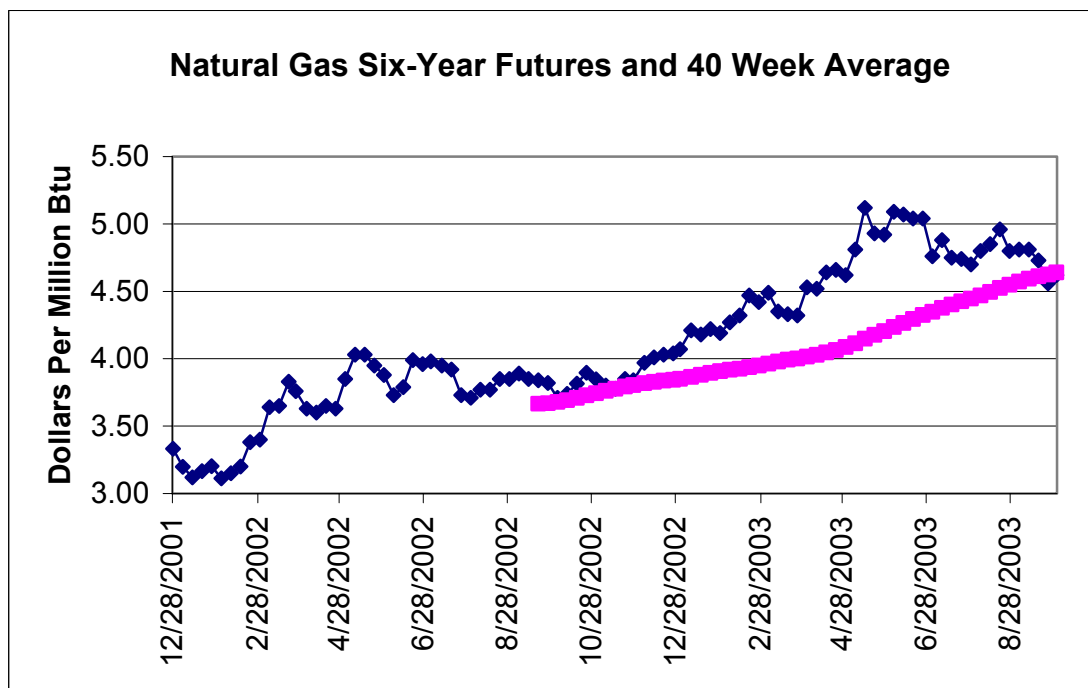
October 1, 2003

## Seasonal Lull

### Summary and Recommendation

While six-year natural gas futures cling to the 40-week average in a seasonal lull we make a long-term case for the fuel in the separately published slides of a presentation at the Contrary Opinion Forum. Latest changes are positive as we update weekly futures prices, McDep Ratios and estimated next twelve months distributions a day early this week.

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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 investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

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## Natural Gas and Oil Futures

September 30, 2003

	Year Ending October						Six Year
	2004	2005	2006	2007	2008	2009	
Natural Gas (\$/mmbtu)	4.89	4.69	4.54	4.52	4.53	4.54	4.62
Light Sweet Crude Oil (\$/bbl)	27.44	25.48	25.24	25.43	25.57	25.78	25.82
Natural Gas/Oil (6:1 = 1.0)	1.07	1.10	1.08	1.07	1.06	1.06	1.07

Source: Nymex.com, McDep Associates

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

	Symbol/ Rating	Price (\$/sh) 30-Sep 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Hugoton RoyaltyTrust (46%)	HGT	18.74	18.4	350	15.00	-	1.25
Cross Timbers Royalty Trust	CRT	21.00	6.0	126	18.90	-	1.11
San Juan Basin Royalty Trust	SJT B	18.08	46.6	840	17.70	-	1.02

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) 30-Sep 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
Cross Timbers Royalty Trust	CRT	21.00	7.2	10.4	11	9.3	9.4
Hugoton RoyaltyTrust (46%)	HGT	18.74	6.6	9.0	10	9.6	7.2
San Juan Basin Royalty Trust	SJT B	18.08	6.5	8.0	9	10.7	7.8

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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