

Natural Gas Royalty Trusts

A Weekly Analysis

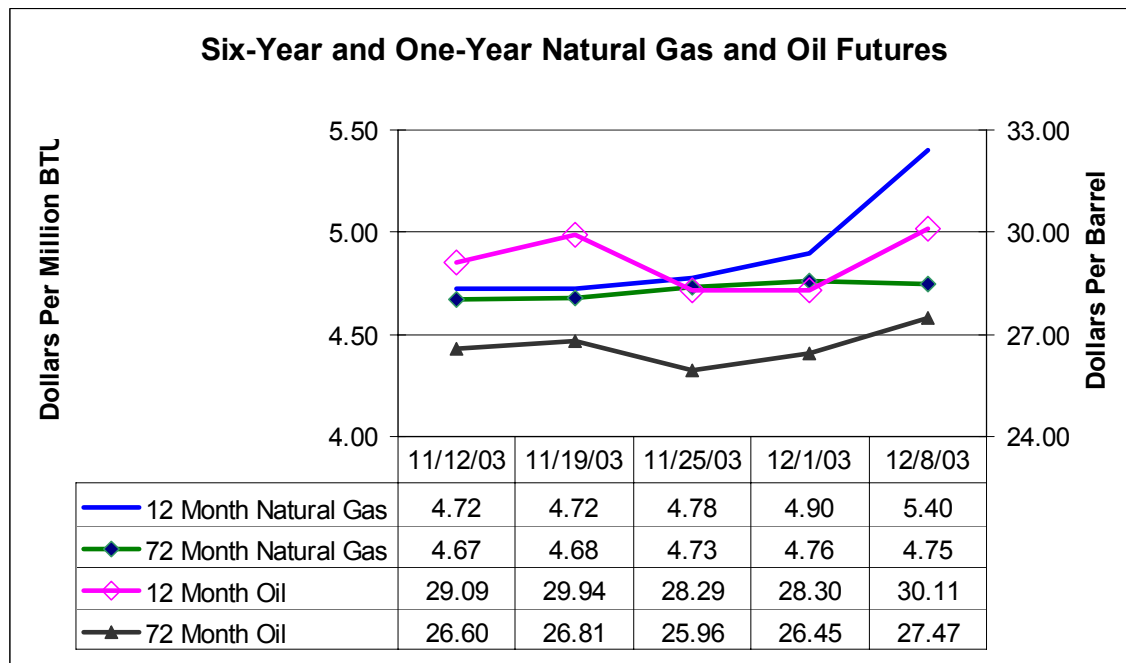
December 9, 2003

Income with Energy Appreciation Potential

Summary and Recommendation

U.S. and Canadian energy trusts have McDep Ratios near 1.3 compared to about 1.0 for small cap producers and 0.9 for large cap producers opening a spread that recognizes the income feature of the trusts. Further appreciation in the trusts may depend on higher dollar value for energy resources generally. Futures prices jumped in the past week in the direction of our expectation that actual dollar prices in the next few years will be higher than those reflected in futures trading and McDep valuation. We continue to recommend **San Juan Basin Royalty Trust (SJT)** as long as the McDep Ratio remains below 1.2. We see more potential at the current unit price in recommended **Canadian Oil Sands Trust (COSWF)**.

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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.

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

	Symbol/ Rating	Price (\$/sh) 8-Dec 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Canadian Royalty Trusts							
Enerplus Resources Fund	ERF	29.03	88.5	2,570	20.00	0.13	1.39
Provident Energy Trust	PVX	8.65	68.8	600	6.00	0.25	1.33
Pengrowth Energy Trust	PGH	15.00	112.0	1,680	11.00	0.20	1.29
Canadian Oil Sands Trust (US\$)	COSWF B	33.50	86.7	2,900	45.00	0.22	0.80
<i>Total or Median</i>				7,800		0.21	1.31
Natural Gas Royalty Trusts							
Hugoton RoyaltyTrust (46%)	HGT	23.33	18.4	430	15.70	-	1.49
Cross Timbers Royalty Trust	CRT	29.10	6.0	175	20.30	-	1.44
Sabine Royalty Trust	SBR	28.70	14.6	420	22.00	-	1.30
Permian Basin RT (41%)	PBT	8.25	19.1	160	6.50	-	1.27
San Juan Basin Royalty Trust	SJT B	20.80	46.6	970	18.00	-	1.15
<i>Total or Median</i>				2,200		-	1.30

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) 8-Dec 2003	EV/ Sales NTM	EV/ Ebitda NTM	Dividend or Distribution P/E NTM	NTM (%)	PV/ Ebitda NTM
Canadian Royalty Trusts							
Enerplus Resources Fund	ERF	29.03	8.0	10.8	17	10.9	7.7
Canadian Oil Sands Trust (US\$)	COSWF B	33.50	4.8	10.4	19	4.5	12.9
Pengrowth Energy Trust	PGH	15.00	5.2	7.6	15	11.9	5.9
Provident Energy Trust	PVX	8.65	4.3	6.2	13	15.0	4.7
Natural Gas Royalty Trusts							
Cross Timbers Royalty Trust	CRT	29.10	8.9	12.6	13	7.8	8.8
Sabine Royalty Trust	SBR	28.70	10.8	11.3	11	8.9	8.6
Permian Basin RT (41%)	PBT	8.25	7.7	11.1	13	9.1	8.7
Hugoton RoyaltyTrust (46%)	HGT	23.33	7.6	10.1	12	8.1	6.8
San Juan Basin Royalty Trust	SJT B	20.80	6.9	8.4	10	10.2	7.2

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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