



Income and Small Cap Weekly

Analysis of Oil & Gas Stocks

October 8, 2010

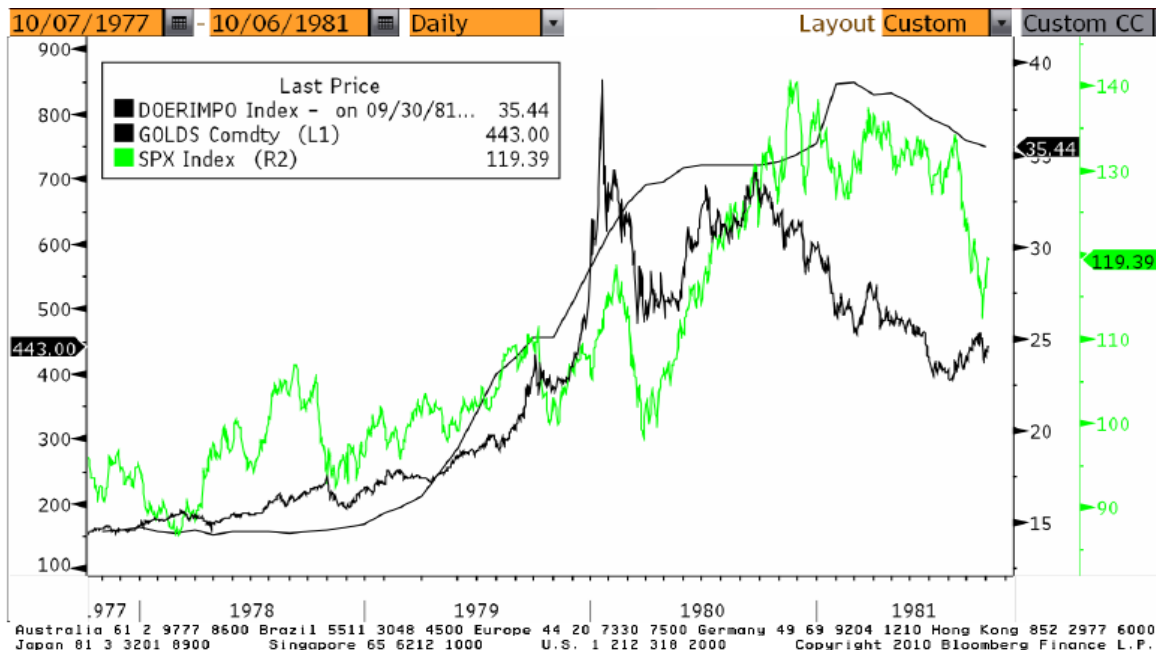
Golden Stocks

Summary and Recommendation

Current trends may carry price to a new peak that by historical analogy could be surprisingly higher for gold, oil, stocks and five Top Line Cash Payers --- **Freehold Energy Trust (FRHLF)**, buy-recommended **Dorchester Minerals L.P. (DMLP)**, **Permian Basin Royalty Trust (PBT)**, **Sabine Royalty Trust (SBR)** and **Cross Timbers Royalty Trust (CRT)**. From the same point of the four-year cycle in October 1978 as today, the gain in price to a peak within two years was four-fold for gold, more than two-fold for oil and about a half for the broader stock market (see chart [Gold, Oil and Stocks, 1977-1981](#) below). Stocks of small cap oil and gas producers gained several fold during the same period (see <http://www.mcdep.com/mr80520.pdf>). The climactic gains arose from a base price that already was up from a decade earlier by six-fold for both gold and oil. Should even part of the multi fold gain occur again, Top Line Cash Payers would likely participate. In any case, income is attractive at a median 6.8% a year, financial risk is low at zero to slim debt, revenue royalties are a median 77% of income and the stock price trend is positive (see [Tables 1-4](#) on pages 2-5). While we want to be positioned for the upside, our estimates of income are grounded in recent futures quotes for oil and natural gas and latest volume and expense indications for each stock (see tables [Next Twelve Months Operating and Financial Estimates](#) on pages 6-10).

Kurt H. Wulff, CFA

Gold, Oil and Stocks, 1977-1981





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Table 1										
McDep Income and Small Cap Energy Portfolio										
Debt, Business Segments and Income Yield										
Symbol/Rating	Price (US\$/sh)	EV/Market	Enterprise Value (\$mm)	Present Value by Segment (%)			Dist. NTM (\$/un)	Dist. Yield (%)	McDep Ratio	
				NAmer. Natural Gas	Oil Prod'n					
B = Buy	7-Oct 2010	Market Cap								
CB (see below)										
Canadian Income Trusts (US\$)										
Pengrowth Energy Trust	PGH	11.18	1.40	4,500	35	65	0.82	7.4	1.01	
Penn West Energy Trust	PWE	20.62	1.36	12,300	22	78	1.06	5.1	0.92	
Enerplus Resources Fund	ERF	25.99	1.22	5,600	41	59	2.12	8.1	0.89	
Peyto Energy Trust	PEYUF	14.93	1.23	2,180	78	22	1.41	9.5	0.86	
Canadian Oil Sands Trust	COSWF CB	25.72	1.11	13,800		100	1.66	6.5	0.70	
<i>Total or Median</i>				38,400					0.89	
Small Cap Independent Producers										
Denbury Resources Inc.	DNR	17.01	1.50	10,230	16	84	-	-	1.09	
Whiting Petroleum Corporation	WLL	101.15	1.18	6,800	14	86	-	-	1.02	
Petrohawk Energy Corporation	HK	16.96	1.63	8,140	96	4	-	-	1.02	
Range Resources	RRC	36.86	1.33	7,970	82	18	0.04	0.1	0.96	
Berry Petroleum Company	BRY	32.46	1.58	2,780	31	69	0.30	0.9	0.95	
Cimarex Energy Company	XEC B	72.67	1.10	6,820	59	41	0.32	0.4	0.92	
Ultra Petroleum	UPL	41.45	1.21	7,800	94	6	-	-	0.86	
Birchcliff Energy Ltd. (US\$)	BIREF CB	8.55	1.25	1,360	68	32	-	-	0.66	
<i>Total or Median</i>				51,900					0.96	
Top Line Cash Payers										
Sabine Royalty Trust	SBR	53.72	1.00	780	50	50	3.65	6.8	1.19	
Permian Basin RT	PBT	20.10	1.00	940	38	62	1.34	6.7	1.12	
Cross Timbers Royalty Trust	CRT	35.77	1.00	220	75	25	2.32	6.5	1.05	
Freehold Royalty Trust (US\$)	FRHLF	17.93	1.08	1,130	25	75	1.56	8.7	1.05	
Dorchester Minerals, L.P.	DMLP B	27.37	1.02	860	66	34	1.64	6.0	1.01	
<i>Total or Median</i>				3,900					1.05	
Bottom Line Cash Payers										
Linn Energy, LLC	LINE	32.12	1.43	6,710	47	53	2.52	7.8	1.32	
Legacy Reserves L.P.	LGCY	25.74	1.34	1,390	17	83	2.08	8.1	1.20	
Encore Energy Partners, L.P. (52%)	ENP	19.14	1.28	570	25	75	2.00	10.4	1.10	
San Juan Basin Royalty Trust	SJT B	24.68	1.00	1,150	100	-	1.22	4.9	0.99	
Hugoton Royalty Trust	HGT B	20.20	1.00	810	90	10	1.26	6.2	0.96	
Mesa Royalty Trust	MTR	46.10	1.00	86	75	25	3.60	7.8	0.96	
<i>Total or Median</i>				10,700					1.04	
Composite (excl COSWF)										
<i>Enterprise Value Weighting</i>				91,100	50	50			0.98	
<i>Equal Weighting</i>					54	46			1.00	
<i>Equal Weighted Buys</i>					68	32			0.91	

CB=Contrarian Buy, Stock Price apparently in downtrend compared to 200-day average.

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

Present Value presumes long-term prices of \$75 a barrel for oil and \$8 a million btu for natural gas.

Dist. = Income distribution. NTM = Next Twelve Months Ended September 30, 2011. Enterprise Value = Market Cap and Debt.



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			<i>Price</i>		<i>Net</i>			
			<i>(\$/sh)</i>		<i>Market</i>	<i>Present</i>	<i>Debt/</i>	
	<i>Symbol/</i>		<i>7-Oct</i>	<i>Shares</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	
	<i>Rating</i>		<i>2010</i>	<i>(mm)</i>	<i>(\$mm)</i>	<i>(\$/un)</i>	<i>Value</i>	
							<i>McDep</i>	
							<i>Ratio</i>	
Canadian Income Trusts (US\$)								
Pengrowth Energy Trust	PGH		11.18	290.0	3,240	11.00	1.01	
Penn West Energy Trust	PWE		20.62	439.6	9,060	23.00	0.92	
Enerplus Resources Fund	ERF		25.99	177.5	4,610	30.00	0.89	
Peyto Energy Trust	PEYUF		14.93	119.4	1,780	18.00	0.86	
Canadian Oil Sands Trust	COSWF	CB	25.72	484.0	12,450	38.00	0.70	
<i>Total or Median</i>					<i>31,100</i>		<i>0.16</i>	<i>0.89</i>
Small Cap Independent Producers								
Denbury Resources Inc.	DNR		17.01	401.0	6,820	15.00	1.09	
Whiting Petroleum Corporation	WLL		101.15	59.2	5,760	95.00	1.02	
Petrohawk Energy Corporation	HK		16.96	303.0	5,000	16.00	1.02	
Range Resources	RRC		36.86	158.5	5,990	40.00	0.96	
Berry Petroleum Company	BRY		32.46	54.3	1,760	35.00	0.95	
Cimarex Energy Company	XEC	B	72.67	85.6	6,220	80.00	0.92	
Ultra Petroleum	UPL		41.45	154.0	6,460	50.00	0.86	
Birchcliff Energy Ltd. (US\$)	BIREF	CB	8.55	127.0	1,090	14.00	0.66	
<i>Total or Median</i>					<i>39,100</i>		<i>0.20</i>	<i>0.96</i>
Top Line Cash Payers								
Sabine Royalty Trust	SBR		53.72	14.6	780	45.00	1.19	
Permian Basin RT	PBT		20.10	46.6	940	18.00	1.12	
Cross Timbers Royalty Trust	CRT		35.77	6.0	220	34.00	1.05	
Freehold Royalty Trust (US\$)	FRHLF		17.93	58.3	1,040	17.00	1.05	
Dorchester Minerals, L.P.	DMLP	B	27.37	30.7	840	27.00	1.01	
<i>Total or Median</i>					<i>3,820</i>		<i>1.05</i>	
Bottom Line Cash Payers								
Linn Energy, LLC	LINE		32.12	146.5	4,710	21.00	1.32	
Legacy Reserves L.P.	LGCY		25.74	40.1	1,030	20.00	1.20	
Encore Energy Partners, L.P. (52%)	ENP		19.14	23.4	450	17.00	1.10	
San Juan Basin Royalty Trust	SJT	B	24.68	46.6	1,150	25.00	0.99	
Hugoton Royalty Trust	HGT	B	20.20	40.0	810	21.00	0.96	
Mesa Royalty Trust	MTR		46.10	1.9	86	48.00	0.96	
<i>Total or Median</i>					<i>8,240</i>		<i>1.04</i>	

B=Buy; CB=Contrarian Buy, Stock Price apparently in downtrend compared to 200-day average.
 McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses
 Present Value presumes long-term prices of \$75 a barrel for oil and \$8 a million btu for natural gas.



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			<i>Price (\$/sh)</i>	<i>Revenue</i>	<i>Dist/ Equity</i>	<i>Adjstd Resrvs/ Prod</i>	<i>PV/ Ebitda</i>	<i>EV/ Ebitda</i>
	<i>Symbol/ Rating</i>		<i>7-Oct 2010</i>	<i>Royalty (%)</i>	<i>Ebitda</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>
Canadian Income Trusts (US\$)								
Peyto Energy Trust	PEYUF		14.93		1.08	21.5	13.7	11.8
Penn West Energy Trust	PWE		20.62		0.45	9.9	9.7	9.0
Canadian Oil Sands Trust	COSWF	CB	25.72		0.55	29.5	12.5	8.8
Enerplus Resources Fund	ERF		25.99		0.61	9.7	8.6	7.7
Pengrowth Energy Trust	PGH		11.18		0.52	9.3	7.0	7.0
	<i>Median</i>					9.9	9.7	8.8
Small Cap Independent Producers								
Range Resources	RRC		36.86		-	12.1	14.0	13.4
Ultra Petroleum	UPL		41.45		-	13.2	13.6	11.8
Petrohawk Energy Corporation	HK		16.96		-	7.1	10.0	10.1
Birchcliff Energy Ltd. (US\$)	BIREF	CB	8.55		-	21.4	14.4	9.6
Denbury Resources Inc.	DNR		17.01		-	12.8	8.1	8.8
Berry Petroleum Company	BRY		32.46		-	11.9	8.2	7.8
Whiting Petroleum Corporation	WLL		101.15		-	9.6	6.5	6.7
Cimarex Energy Company	XEC	B	72.67		-	6.3	6.9	6.3
	<i>Median</i>					12.0	9.1	9.2
Top Line Cash Payers								
Dorchester Minerals, L.P.	DMLP	B	27.37	77	0.89	6.8	14.6	14.8
Cross Timbers Royalty Trust	CRT		35.77	84	0.96	13.7	14.1	14.8
Sabine Royalty Trust	SBR		53.72	100	1.00	8.9	12.3	14.7
Permian Basin RT	PBT		20.10	42	0.98	13.1	13.1	14.7
Freehold Royalty Trust (US\$)	FRHLF		17.93	71	0.86	8.2	9.4	9.8
	<i>Median</i>					8.9	13.1	14.7
Bottom Line Cash Payers								
Linn Energy, LLC	LINE		32.12		1.63	18.4	13.6	17.9
San Juan Basin Royalty Trust	SJT	B	24.68		0.82	14.1	16.8	16.6
Hugoton Royalty Trust	HGT	B	20.20		0.87	12.8	14.6	14.1
Mesa Royalty Trust	MTR		46.10		0.94	9.0	12.5	12.0
Legacy Reserves L.P.	LGCY		25.74		0.98	12.2	9.5	11.3
Encore Energy Partners, L.P.	ENP		19.14		1.05	13.2	8.9	9.8
	<i>Median</i>					13.0	13.0	13.1

B=Buy; CB=Contrarian Buy, Stock Price apparently in downtrend compared to 200-day average.
 EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2011; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses
 Top Line Cash Payers defined as those having Revenue Royalty (see fifth column from right).



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Table 4									
Oil and Gas Income and Small Cap Stocks									
Rank by Enterprise Value to 200 Day Average									
			Price (\$/sh)	Enterprise Value/					
	Symbol/ Rating		7-Oct 2010	52Wk High	52Wk Low	50 Day Avg.	200 Day Avg.	McDep Ratio	
Canadian Income Trusts (US\$)									
	Enerplus Resources Fund	ERF	25.99	0.98	1.63	1.08	1.10	0.89	
	Peyto Energy Trust	PEYUF	14.93	0.96	1.34	1.04	1.07	0.86	
	Pengrowth Energy Trust	PGH	11.18	0.95	1.80	1.07	1.06	1.01	
	Penn West Energy Trust	PWE	20.62	0.94	1.23	1.05	1.04	0.92	
	Canadian Oil Sands Trust	COSWF	CB	25.72	0.78	1.10	1.02	0.95	0.70
	<i>Median</i>			<i>0.95</i>	<i>1.34</i>	<i>1.05</i>	<i>1.06</i>	<i>0.89</i>	
Small Cap Independent Producers									
	Whiting Petroleum Corporation	WLL		101.15	0.96	1.58	1.06	1.15	1.02
	Cimarex Energy Company	XEC	B	72.67	0.90	1.79	1.05	1.11	0.92
	Berry Petroleum Company	BRY		32.46	0.96	1.19	1.05	1.06	0.95
	Denbury Resources Inc.	DNR		17.01	0.91	1.21	1.05	1.05	1.09
	Birchcliff Energy Ltd. (US\$)	BIREF	CB	8.55	0.84	1.23	0.97	0.97	0.66
	Ultra Petroleum	UPL		41.45	0.77	1.11	1.02	0.93	0.86
	Petrohawk Energy Corporation	HK		16.96	0.69	1.11	1.02	0.89	1.02
	Range Resources	RRC		36.86	0.69	1.12	1.03	0.88	0.96
	<i>Median</i>			<i>0.90</i>	<i>1.20</i>	<i>1.04</i>	<i>1.01</i>	<i>0.96</i>	
Top Line Cash Payers									
	Permian Basin RT	PBT		20.10	0.99	1.63	1.06	1.13	1.12
	Dorchester Minerals, L.P.	DMLP	B	27.37	0.97	1.36	1.08	1.12	1.01
	Freehold Royalty Trust (US\$)	FRHLF		17.93	0.98	1.34	1.10	1.12	1.05
	Sabine Royalty Trust	SBR		53.72	0.98	1.35	1.02	1.10	1.19
	Cross Timbers Royalty Trust	CRT		35.77	0.91	1.27	1.01	1.03	1.05
	<i>Median</i>			<i>0.98</i>	<i>1.35</i>	<i>1.06</i>	<i>1.12</i>	<i>1.05</i>	
Bottom Line Cash Payers									
	Linn Energy, LLC	LINE		32.12	0.99	1.74	1.05	1.12	1.32
	Legacy Reserves L.P.	LGCY		25.74	0.99	1.44	1.05	1.10	1.20
	Hugoton Royalty Trust	HGT	B	20.20	0.91	1.35	1.03	1.08	0.96
	San Juan Basin Royalty Trust	SJT	B	24.68	0.86	1.47	1.03	1.08	0.99
	Mesa Royalty Trust	MTR		46.10	0.85	1.43	1.02	1.06	0.96
	Encore Energy Partners, L.P. (52%)	ENP		19.14	0.90	1.65	1.01	1.00	1.10
	<i>Median</i>			<i>0.91</i>	<i>1.46</i>	<i>1.03</i>	<i>1.08</i>	<i>1.04</i>	

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Freehold Royalty Trust									
Next Twelve Months Operating and Financial Estimates									
(Canadian dollars)									
									Next Twelve Months
	Q3	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	
	9/30/09	6/30/10	9/30/10	12/31/10	2010E	3/31/11	6/30/11	9/30/11	9/30/11
Volume									
Natural Gas (mmcf)	15.3	18.0	18.0	18.0	17.5	18.0	18.0	18.0	18.0
Days	92	91	92	92	365	90	91	92	365
Oil (mbd)	4.44	4.65	4.65	4.65	4.7	4.65	4.65	4.65	4.7
Total gas & oil (bcf)	3.9	4.2	4.2	4.2	16.6	4.1	4.2	4.2	16.8
Total gas & oil (mbd)	7.0	7.7	7.7	7.7	7.6	7.7	7.7	7.7	7.7
Price									
Natural gas (\$/mcf)									
Henry Hub (US\$/mmbtu)	3.39	4.09	4.38	3.87	4.42	4.26	4.25	4.43	4.21
Currency (US\$/C\$)	0.91	0.97	0.96	0.98	0.97	0.98	0.98	0.98	0.98
Henry Hub (C\$/mmbtu)	3.72	4.21	4.55	3.94	4.56	4.34	4.33	4.51	4.28
Company (C\$/mcf)	2.78	3.44	3.72	3.23	3.75	3.55	3.54	3.69	3.50
Oil (\$/bbl)									
WTI Cushing (US\$)	68.22	77.85	76.08	81.81	78.61	83.64	84.92	85.84	84.05
WTI Cushing (C\$/bbl)	74.83	80.05	79.05	83.29	81.14	85.15	86.45	87.38	85.57
Company (C\$/bbl)	59.70	61.66	62.45	65.80	64.75	67.27	68.29	69.03	67.60
Total gas & oil (\$/mcf)	7.33	7.60	7.79	7.93	8.03	8.21	8.31	8.44	8.22
Revenue (\$mm)									
Natural Gas	3.9	5.6	6.2	5.3	24	5.8	5.8	6.1	23
Oil	24.4	26.1	26.7	28.1	110	28.2	28.9	29.5	115
Other	1.1	(0.2)			(1)				-
Total	29.4	31.5	32.9	33.5	133	33.9	34.7	35.6	138
Expense	6.0	5.9	4.9	5.0	22	5.1	5.2	5.3	21
Ebitda (\$mm)	23.4	25.6	27.9	28.5	111	28.8	29.5	30.3	117
Deprec., Deplet., & Amort.	15.7	17.1	17.1	17.1	67	17.1	17.1	17.1	68
Other					2				-
Ebit	7.7	8.5	10.8	11.4	43	11.7	12.4	13.2	49
Interest	1.2	1.3	1.3	1.3	5	1.3	1.3	1.3	5
Ebt	6.5	7.2	9.5	10.1	38	10.4	11.1	11.9	43
Income Tax	(1.4)	(2.1)	2.5	2.6	7	2.7	2.9	3.1	11
Net Income (\$mm)	7.9	9.3	7.1	7.4	31	7.7	8.2	8.8	32
Units (millions)	49.6	58.1	58.1	58.1	58.0	58.1	58.4	58.4	58.3
Per unit (\$)	0.16	0.16	0.12	0.13	0.54	0.13	0.14	0.15	0.55
Ebitda Margin - O&G	83%	81%	85%	85%	84%	85%	85%	85%	85%
Tax Rate	-21%	-29%	26%	26%	18%	26%	26%	26%	26%
Distribution (\$mm)	16.9	24.4	24.4	24.4	97	22.7	22.8	22.8	93
Per unit (\$)	0.34	0.42	0.42	0.42	1.68	0.39	0.39	0.39	1.59
Payout	76%	100%	92%	90%	93%	91%	90%	88%	83%
Note: Payout defined as distribution divided by (Ebitda minus Interest) through 2010.									
Note: Payout defined as distribution divided by (Net income plus DD&A) beginning in 2011.									



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Dorchester Minerals, L.P.									
Next Twelve Months Operating and Financial Performance									
	Q3		Q2		Q1E		Q3E		Next
	9/30/09	6/30/10	9/30/10	12/31/10	2010E	3/31/10	6/30/11	9/30/11	Twelve
									Months
	9/30/09	6/30/10	9/30/10	12/31/10	2010E	3/31/10	6/30/11	9/30/11	9/30/11
Volume									
Natural Gas (mmcf)	24.7	27.2	27.2	27.2	26.7	27.2	27.2	27.2	27.2
Oil (mbd)	0.87	1.12	1.12	1.12	1.07	1.12	1.12	1.12	1.12
Total (bcfe)	2.7	3.1	3.1	3.1	12.1	3.1	3.1	3.1	12.4
Total (mmcf)	30	34	34	34	33	34	34	34	34
Price									
Henry Hub (\$/mmbtu)	3.39	4.09	4.38	3.87	4.42	4.26	4.25	4.43	4.21
Differential (%)	5	1	1	4	2	4	4	4	4
Company (\$/mcf)	3.22	4.07	4.36	3.72	4.31	4.09	4.08	4.26	4.04
WTI Cushing (\$/bbl)	68.22	77.85	76.08	81.81	78.61	83.64	84.92	85.84	84.05
Differential	4.47	4.44	4.34	4.66	4.45	4.77	4.84	4.89	4.79
Company	63.75	73.41	71.74	77.15	74.15	78.87	80.07	80.94	79.26
Total (\$/mcf)	4.51	5.68	5.86	5.53	5.87	5.88	5.91	6.08	5.85
Revenue (\$mm)									
Natural Gas	7.3	10.1	10.9	9.3	42.1	10.0	10.1	10.7	40.1
Oil	5.1	7.5	7.4	7.9	29.0	7.9	8.2	8.3	32.4
Other	(0.7)	(1.2)	(1.2)	(1.2)	(4.4)	(1.2)	(1.2)	(1.2)	(4.6)
Total	11.7	16.4	17.1	16.1	66.6	16.8	17.1	17.8	67.8
Expense									
Operating	1.2	1.4	1.6	1.6	6.1	1.5	1.5	1.6	6.2
General and administrative	0.8	0.9	0.9	0.9	3.7	0.9	1.1	1.1	3.9
Total	2.0	2.2	2.4	2.4	9.8	2.4	2.6	2.7	10.1
Ebitda	9.7	14.2	14.7	13.7	56.8	14.4	14.5	15.2	57.7
Minerals NPI	0.8	1.7	1.7	1.7	6.2	1.7	1.7	1.7	6.9
Deprec., Deplet., & Amort.	4.5	4.5	6.2	6.2	21.3	6.1	6.2	6.2	24.8
Other Non Cash	0.8	1.7	1.7	1.7	6.2	1.7	1.7	1.7	6.8
Ebit	4.3	7.9	6.8	5.7	29.4	6.6	6.6	7.2	26.2
Ebt	4.3	7.9	6.8	5.7	29.4	6.6	6.6	7.2	26.2
General Partner	0.2	0.3	0.2	0.2	0.9	0.2	0.2	0.2	0.8
Net Income (\$mm)	4.2	7.7	6.6	5.6	28.5	6.4	6.4	7.0	25.4
Units (millions)	29.8	30.7	30.7	30.7	30.4	30.7	30.7	30.7	30.7
Net Income Per Unit (\$)	0.14	0.25	0.21	0.18	0.94	0.21	0.21	0.23	0.83
Distribution (\$/unit)	0.29	0.41	0.42	0.41	1.70	0.39	0.42	0.42	1.64



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Permian Basin Royalty Trust										
Next Twelve Months Operating and Financial Performance										
	Q3		Q2		Q3E		Q4E		Year	
	9/30/09	6/30/10	9/30/10	12/31/10	2010E	3/31/11	6/30/11	9/30/11	Next Twelve Months 9/30/11	
Volume										
Natural Gas (bcf)	1.47	1.32	1.34	1.33	5.32	1.31	1.27	1.29	5.20	
Natural Gas (mmcf)	16.02	14.7	14.6	14.4	14.5	14.3	14.1	14.0	14.2	
Days	92	90	92	92	366	92	90	92	366	
Oil (mmb)	0.27	0.26	0.26	0.26	1.05	0.26	0.25	0.25	1.02	
Oil (mbd)	2.90	2.89	2.86	2.83	2.86	2.80	2.78	2.75	2.79	
Days	92	90	92	92	366	92	90	92	366	
Total (bcfe)	3.07	2.89	2.92	2.89	11.60	2.86	2.77	2.80	11.33	
Total (mmcf)	33.4	32.1	31.7	31.4	31.7	31.1	30.8	30.5	31.0	
Price (Henry Hub and WTI Cushing lagged two months)										
Henry Hub (\$/mmbtu)	3.61	4.64	4.38	4.09	4.50	4.01	4.25	4.28	4.16	
Differential (%)	(24)	(53)	(47)	(20)	(43)	(20)	(20)	(20)	(20)	
Trust (\$/mcf)	4.48	7.10	6.45	4.90	6.44	4.81	5.10	5.13	4.98	
WTI Cushing (\$/bbl)	64.29	80.71	75.14	77.82	77.66	82.27	84.18	85.10	82.34	
Differential	4.64	3.70	5.59	5.79	4.98	6.12	6.27	6.33	6.17	
Trust (\$/bbl)	59.65	77.01	69.55	72.03	72.68	76.15	77.91	78.77	76.18	
Total (\$/bbl)	43.94	61.21	55.39	52.47	57.07	54.44	56.18	56.74	54.93	
Revenue (\$mm)										
Natural Gas	6.6	9.4	8.6	6.5	34.3	6.3	6.5	6.6	25.9	
Oil	15.9	20.0	18.3	18.8	76.1	19.6	19.5	19.9	77.8	
Balance	(4.5)	(6.1)	(4.9)	(4.6)	(21.4)	(4.7)	(4.7)	(4.8)	(18.7)	
Total	18.0	23.3	22.1	20.7	89.0	21.3	21.3	21.7	85.1	
Expense										
Operating	3.8	3.8	3.8	3.8	16.0	3.8	3.8	3.8	15.3	
Production taxes	0.8	0.9	0.8	0.8	4.0	0.9	0.9	1.0	3.6	
Other	0.1	0.5	1.3	0.2	2.3	0.2	0.5	1.3	2.3	
Total	4.7	5.2	6.0	4.8	22.2	5.0	5.2	6.1	21.2	
Ebitda										
Development	2.9	0.1	0.2	0.3	1.2	0.3	0.3	0.3	1.2	
Distributable Income (\$mm)										
	10.3	18.0	15.9	15.6	65.6	16.0	15.7	15.3	62.7	
Units (millions)										
	47	47	47	47	47	47	47	47	47	
Per Unit (\$)										
	0.22	0.39	0.34	0.33	1.41	0.34	0.34	0.33	1.34	



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Sabine Royalty Trust									
Next Twelve Months Operating and Financial Performance									
									<i>Next</i>
	<i>Q3</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Twelve</i>
	<i>9/30/09</i>	<i>6/30/10</i>	<i>9/30/10</i>	<i>12/31/10</i>	<i>2010E</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>Months</i>
	<i>9/30/09</i>	<i>6/30/10</i>	<i>9/30/10</i>	<i>12/31/10</i>	<i>2010E</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>9/30/11</i>
Volume									
Natural Gas (bcf)	1.35	1.64	1.51	1.53	6.31	1.53	1.49	1.51	6.05
Natural Gas (mmcf/d)	14.8	18.2	16.6	16.6	17.3	16.6	16.6	16.6	16.6
Days	91	90	91	92	365	92	90	91	365
Oil (mmb)	0.100	0.094	0.114	0.113	0.428	0.112	0.108	0.109	0.442
Oil (mbd)	1.08	1.06	1.24	1.23	1.17	1.22	1.21	1.19	1.21
Days	92	89	92	92	365	92	89	92	365
Total (bcfe)	1.95	2.20	2.19	2.20	8.88	2.20	2.14	2.16	8.71
Total (mmcf/d)	21.3	24.5	24.0	24.0	24.3	23.9	23.8	23.7	23.9
Price (Henry Hub natural gas lagged three months; WTI Cushing oil, two months)									
Henry Hub (\$/mmbtu)	3.50	5.32	4.09	4.38	4.49	3.87	4.26	4.25	4.19
Differential (%)	1	10	(16)	(2)	(4)	(2)	(2)	(2)	(2)
Company (\$/mcf)	3.45	4.79	4.75	4.47	4.68	3.95	4.35	4.34	4.28
WTI Cushing (\$/bbl)	64.29	80.71	75.14	77.82	77.66	82.27	84.18	85.10	82.34
Differential	2.45	4.16	4.14	4.29	4.35	4.54	4.64	4.69	4.59
Company (\$/bbl)	61.84	76.56	71.00	73.53	73.30	77.73	79.53	80.41	77.76
Total (\$/bcfe)	5.56	6.83	6.96	6.87	6.86	6.70	7.05	7.07	6.92
Revenue (\$mm)									
Natural Gas	4.7	7.8	7.2	6.8	29.6	6.0	6.5	6.5	25.9
Oil	6.2	7.2	8.1	8.3	31.4	8.7	8.6	8.7	34.4
Other	(0.6)	(1.0)	(1.0)	(2.3)	(5.5)	(0.9)	(0.9)	(1.1)	(5.2)
Total	10.2	14.0	14.3	12.8	55.5	13.9	14.2	14.1	55.0
Expense									
General and administrative	0.5	0.6	0.6	0.5	2.3	0.5	0.4	0.4	1.8
Ebitda	9.8	13.4	13.7	12.3	53.2	13.4	13.8	13.7	53.2
Ebit	9.8	13.4	13.7	12.3	53.2	13.4	13.8	13.7	53.2
Ebt	9.8	13.4	13.7	12.3	53.2	13.4	13.8	13.7	53.2
Distributable Income (\$mm)	9.8	13.4	13.7	12.3	53.2	13.4	13.8	13.7	53.2
Units (millions)	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6
Per Unit (\$)	0.67	0.92	0.94	0.84	3.65	0.92	0.95	0.94	3.65



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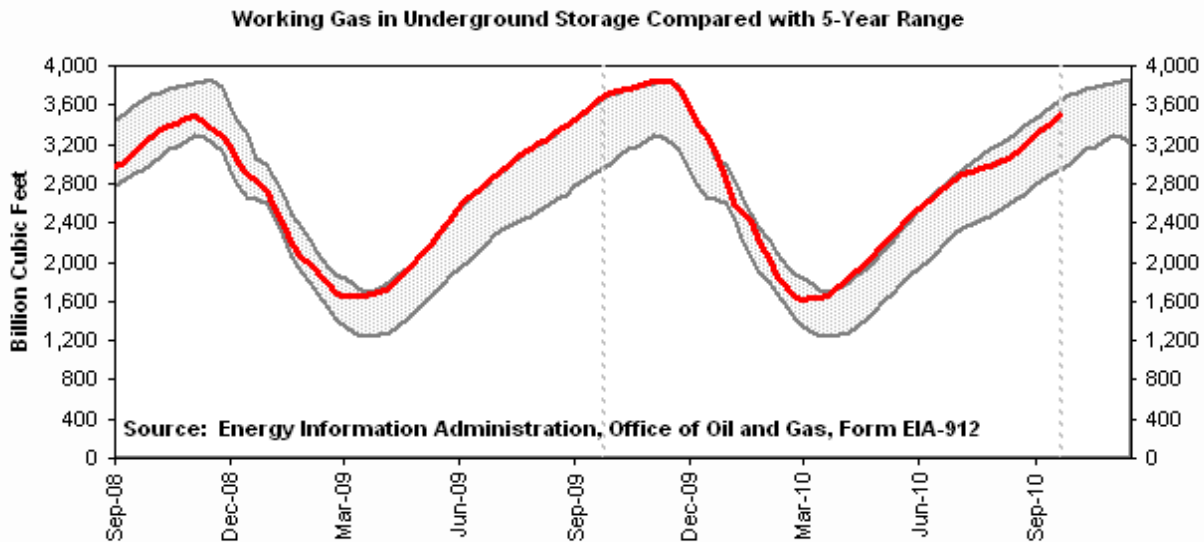
Cross Timbers Royalty Trust									
Next Twelve Months Operating and Financial Performance									
									<i>Next</i>
									<i>Twelve</i>
	<i>Q3</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Months</i>
	<i>9/30/09</i>	<i>6/30/10</i>	<i>9/30/10</i>	<i>12/31/10</i>	<i>2010E</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>9/30/11</i>
Volume									
Natural Gas (bcf)	0.51	0.48	0.55	0.50	2.05	0.50	0.48	0.50	1.98
Natural Gas (mmcf/d)	5.6	5.3	5.5	5.4	5.6	5.4	5.3	5.5	5.4
Days	91	90	91	92	365	92	90	91	365
Oil (mb)	57	50	49	49	198	48	46	47	190
Oil (mbd)	0.62	0.5	0.5	0.5	0.54	0.5	0.5	0.5	0.52
Days	92	89	92	92	365	92	89	92	365
Total (bcf)	0.85	0.78	0.85	0.79	3.23	0.78	0.76	0.78	3.12
Price									
Natural Gas (HH lagged three months)									
Henry Hub (\$/mmbtu)	3.50	5.32	4.09	4.38	4.49	3.87	4.26	4.25	4.19
Differential (%)	(53)	(57)	(60)	(40)	(55)	(40)	(40)	(40)	(40)
CRT (\$/mcf)	5.35	8.37	6.55	6.13	6.97	5.42	5.97	5.95	5.87
Oil (\$/bbl) (WTI lagged two months)									
WTI Cushing	64.29	80.71	75.14	77.82	77.66	82.27	84.18	85.10	82.34
CRT	57.05	74.91	69.25	71.72	71.73	75.81	77.57	78.42	75.84
Total (\$/mcf)	7.02	9.96	8.29	8.27	8.80	8.07	8.51	8.52	8.34
Revenue (\$mm)									
Natural Gas	2.72	3.99	3.61	3.07	14.29	2.69	2.87	2.98	11.61
Oil	3.25	3.75	3.39	3.48	14.17	3.64	3.57	3.69	14.38
Total	5.97	7.73	7.00	6.55	28.46	6.33	6.44	6.67	25.99
Cost (\$mm)									
Tax, transport & other	0.85	1.08	1.05	0.98	4.20	0.95	0.97	1.00	3.90
Production	1.27	1.18	1.15	1.15	4.57	1.15	1.15	1.15	4.60
Total	2.12	2.26	2.20	2.13	8.77	2.10	2.12	2.15	8.50
Cash flow (\$mm)									
Development	0.08	0.12	0.20	0.20	0.59	0.20	0.20	0.20	0.80
Excess or other	0.41				-				
Net proceeds (\$mm)	3.36	5.35	4.60	4.22	19.10	4.03	4.12	4.32	16.69
Royalty income (\$mm)									
Royalty/Net proceeds	86%	86%	86%	86%	86%	86%	86%	86%	86%
Administration	0.13	0.12	0.11	0.11	0.51	0.11	0.11	0.11	0.44
Distributable income (\$mm)									
	2.76	4.48	3.85	3.52	15.95	3.36	3.43	3.61	13.91
Units (millions)									
Per unit	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
	0.46	0.75	0.64	0.59	2.66	0.56	0.57	0.60	2.32



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