

Roll Forward

Summary and Recommendation

Natural gas oriented U.S. royalty trusts including buy-recommended **San Juan Basin Royalty Trust (SJT)** are likely to have a surge in distributions again in the first quarter 2007 judging by futures prices. Buy-recommended **Canadian Oil Sands Trust (COSWF)** may set volume records through the second quarter of 2007 that support projected distributions. Oil prospects in resource-rich Canada may ultimately justify higher recognition for buy-recommended **Penn West Energy Trust (PWTFE)** currently trading at the lowest unlevered cash flow multiple and soon to be listed on the New York Stock Exchange. Next twelve months (NTM) distribution yields are higher than last week for U.S. trusts and cash flow multiples are lower for Canadian trusts as well, not because of a change in expectations, but rather a roll forward of the measurement period to 6/30/07 from 3/31/07. Median NTM distribution yield is 9.1% for U.S. trusts and 9.2% for Canadian trusts. The projection for the latter is a continuation of the current monthly distribution except for COSWF where we expect increases as a result of the completion of a capacity expansion. Quarterly distributions are charted along with quarterly volume by trust.

Kurt H. Wulff, CFA

Natural Gas and Oil Royalty Trusts Rank by McDep Ratio: Market Cap and Debt to Present Value

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 25-May 2006</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/un)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
U.S. Royalty Trusts							
Permian Basin RT	PBT	15.78	46.6	740	15.00	-	1.05
Sabine Royalty Trust	SBR	41.88	14.6	610	42.00	-	1.00
Dorchester Minerals, L.P.	DMLP	24.94	28.2	700	26.00	-	0.96
Cross Timbers Royalty Trust	CRT	42.00	6.0	250	45.00	-	0.93
San Juan Basin Royalty Trust	SJT	B 36.00	46.6	1,680	40.00	-	0.90
Mesa RoyaltyTrust	MTR	64.30	1.9	120	75.00	-	0.86
Hugoton RoyaltyTrust	HGT	26.90	40.0	1,080	34.00	-	0.79
<i>Total or Median</i>				5,200			0.93
Canadian Income Trusts (US\$)							
Pengrowth Energy Trust	PGH	23.62	161.0	3,800	18.00	0.16	1.26
Enerplus Resources Fund	ERF	51.87	123.1	6,390	42.00	0.12	1.21
Penn West Energy Trust	PWTFE	B 37.54	244.1	9,160	33.00	0.14	1.12
Canadian Oil Sands Trust	COSWF	B 29.35	464.1	13,620	27.20	0.12	1.07
<i>Total or Median</i>				33,000		0.13	1.16

B = Buy

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

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Natural Gas and Oil Royalty Trusts Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 25-May 2006	Adjstd Resrvs/ Prod NTM	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)
U.S. Royalty Trusts							
Cross Timbers Royalty Trust	CRT	42.00	13.0	11.4	10.6	11.0	9.1
Mesa RoyaltyTrust	MTR	64.30	20.1	11.8	10.1	11.2	9.0
Dorchester Minerals, L.P.	DMLP	24.94	13.5	10.5	10.1	15.9	9.2
San Juan Basin Royalty Trust	SJT B	36.00	13.6	11.1	10.0	11.4	8.8
Sabine Royalty Trust	SBR	41.88	9.3	9.4	9.4	9.4	10.7
Permian Basin RT	PBT	15.78	7.8	8.9	9.3	10.2	9.8
Hugoton RoyaltyTrust	HGT	26.90	13.8	10.0	7.9	11.3	8.9
	<i>Median</i>		13.5	10.5	10.0	11.2	9.1
Canadian Income Trusts (US\$)							
Canadian Oil Sands Trust	COSWF B	29.35	20.0	8.6	9.2	11.9	6.4
Enerplus Resources Fund	ERF	51.87	9.4	6.5	7.9	15.0	8.6
Pengrowth Energy Trust	PGH	23.62	7.5	6.1	7.7	13.1	11.3
Penn West Energy Trust	PWTFF B	37.54	7.9	6.1	6.9	9.5	9.7
	<i>Median</i>		8.6	6.3	7.8	12.5	9.2

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2007; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

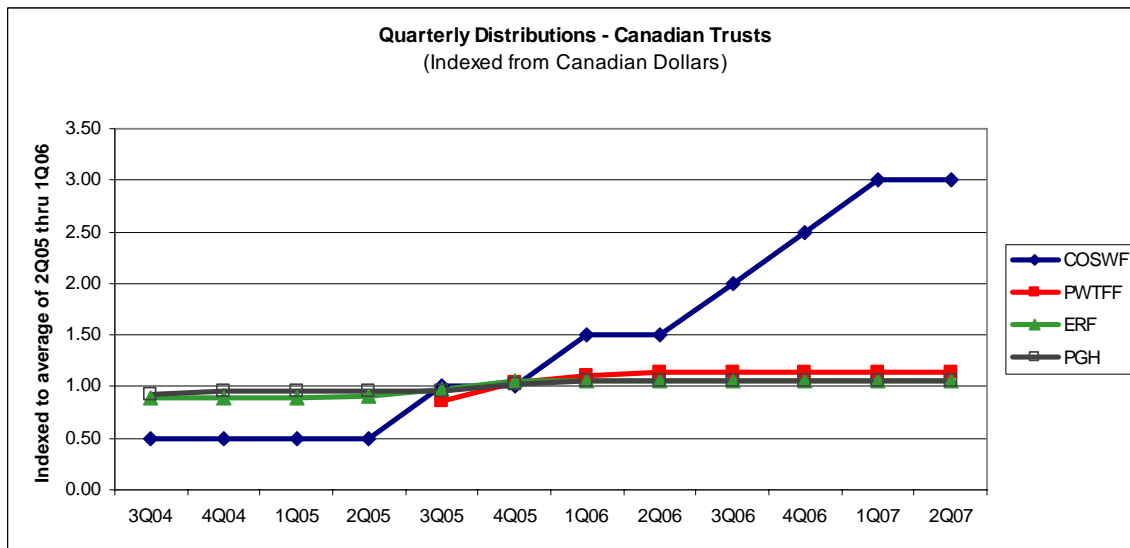
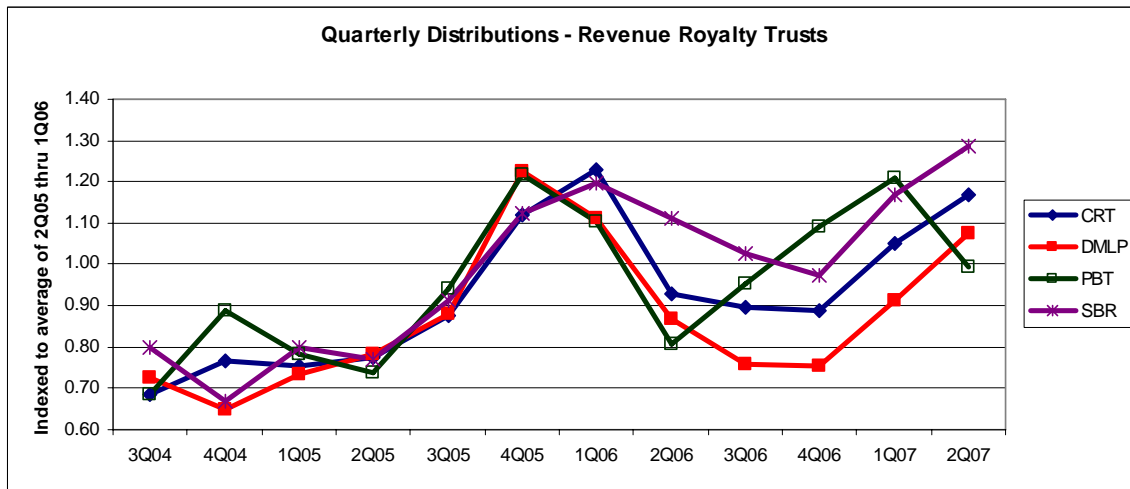
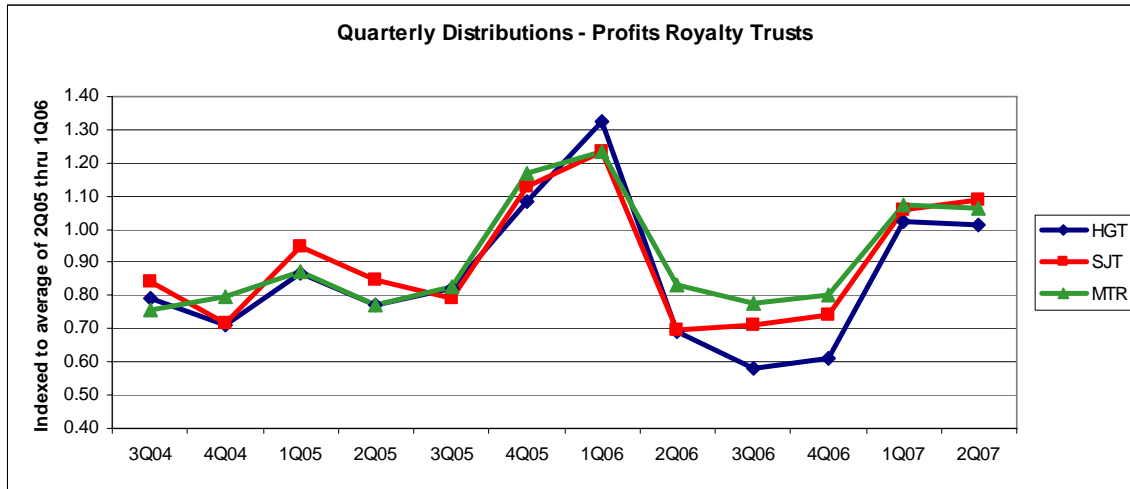
Natural Gas and Oil Royalty Trusts Rank by NTM Distribution Yield

	Symbol	Revenue Royalty (%)	Natural Gas/ Ebitda (%)	Dist/ Ebitda	Dist/ Equity Ebitda	NTM Distribution (\$mm)	Dist. Distribution (\$/un)	Dist. Yield (%)
U.S. Royalty Trusts								
San Juan Basin Royalty Trust	SJT	-	98	0.88	0.88	147	3.15	8.8
Hugoton RoyaltyTrust	HGT	-	90	0.70	0.70	95	2.38	8.9
Mesa RoyaltyTrust	MTR	-	72	0.91	0.91	11	5.77	9.0
Cross Timbers Royalty Trust	CRT	81	67	0.97	0.97	23	3.83	9.1
Dorchester Minerals, L.P.	DMLP	56	73	0.93	0.93	65	2.30	9.2
Permian Basin RT	PBT	29	34	0.91	0.91	72	1.54	9.8
Sabine Royalty Trust	SBR	100	50	1.00	1.00	65	4.46	10.7
	<i>Total or Median</i>		72	0.91	0.91	500		9.1
Canadian Income Trusts (US\$)								
Canadian Oil Sands Trust	COSWF	-	(7)	0.52	0.59	867	1.87	6.4
Enerplus Resources Fund	ERF	-	45	0.62	0.70	552	4.48	8.6
Penn West Energy Trust	PWTFF	-	39	0.58	0.67	886	3.63	9.7
Pengrowth Energy Trust	PGH	-	37	0.75	0.90	430	2.67	11.3
	<i>Total or Median</i>		38	0.60	0.69	2,700		9.2
Kinder Morgan Energy Partners	KMP			0.80	1.79			7.4

NTM = Next Twelve Months Ended March 31, 2007

Ebitda = Earnings before interest, tax, depreciation and amortization

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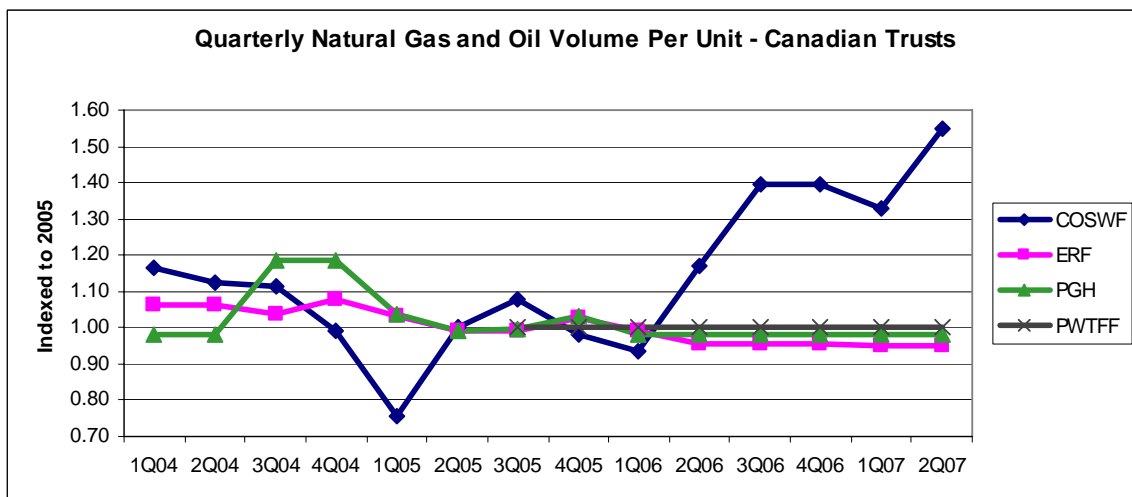
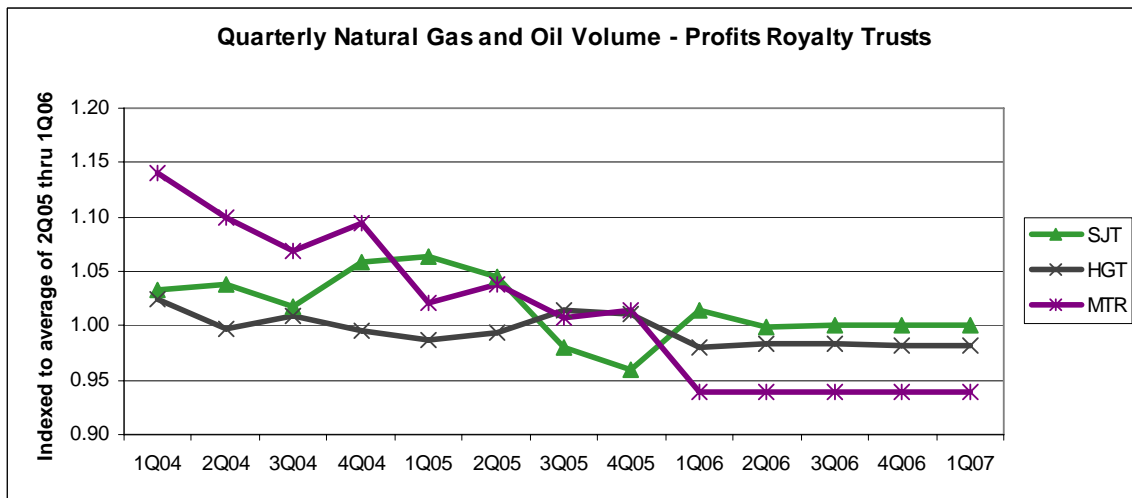
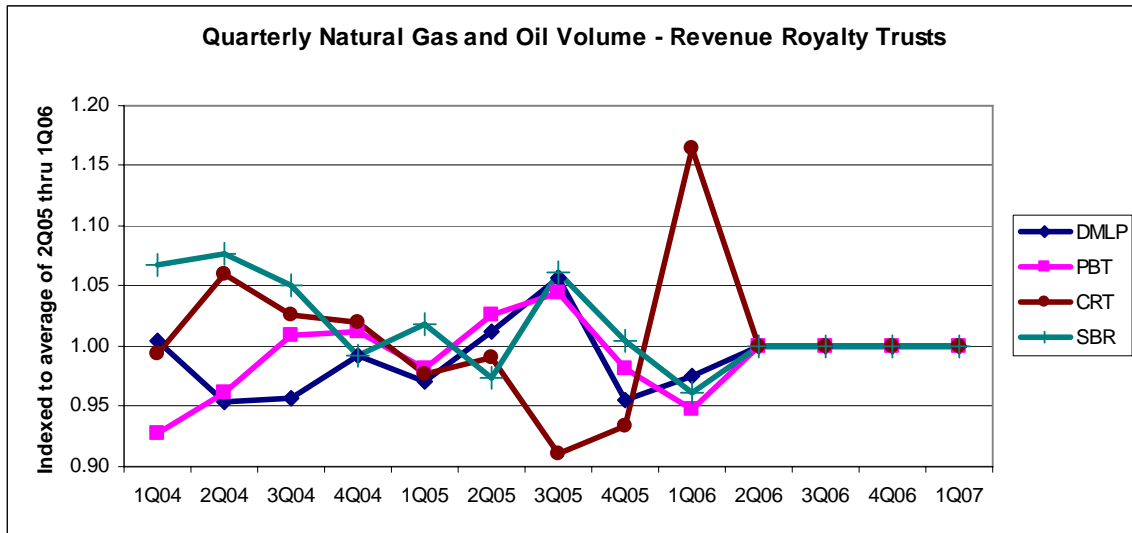


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Natural Gas and Oil Royalty Trusts

A Weekly Analysis

May 26, 2006



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