

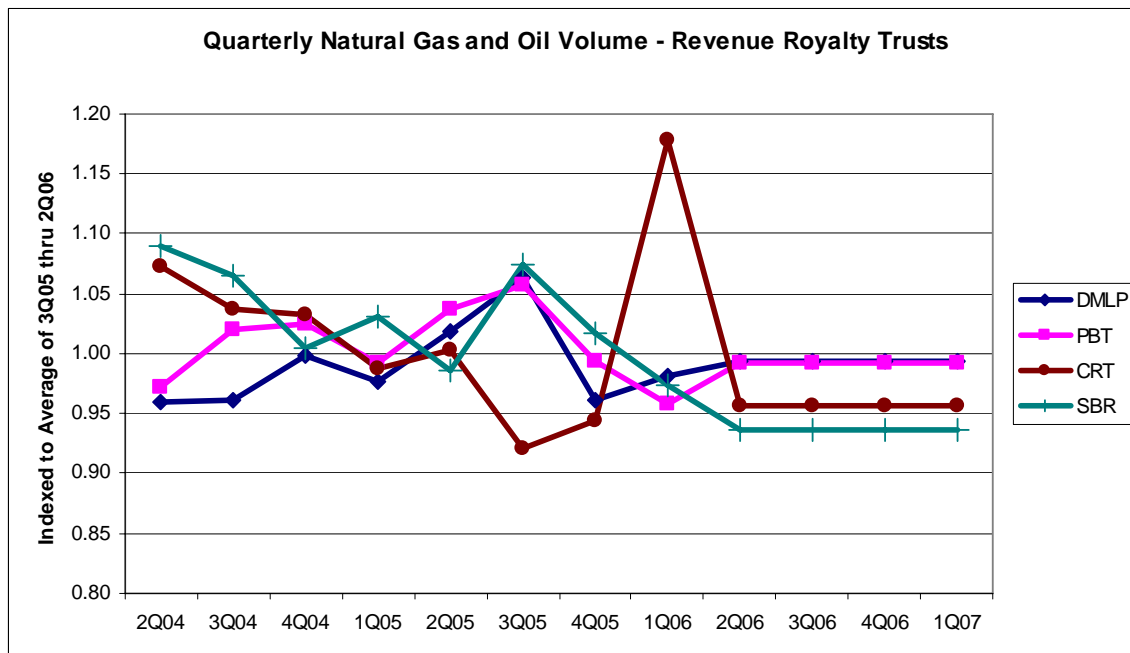
Widely-Held PBT

Summary and Recommendation

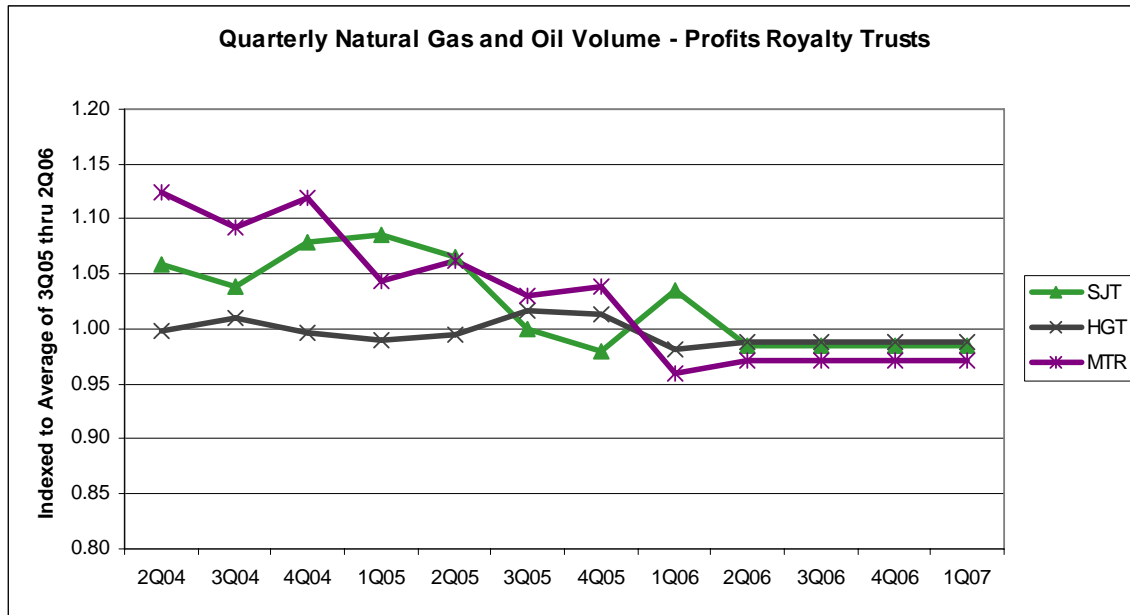
With all shares in public hands again, **Permian Basin Royalty Trust (PBT)** offers a projected distribution yield of 10.2% a year and direct participation in oil commodity value at a McDep Ratio of 0.94, or 94% of present value presuming a long-term oil price of \$60 a barrel. The stock has become fully publicly traded again with the final sale on August 17 of the last tranche of units held for two decades by Burlington Resources and succeeded to by **ConocoPhillips (COP)**. High quality reserves have hidden potential demonstrated recently by resistance to normal decline. Next twelve months volume for PBT and six other stocks in our group of U.S., royalty trusts is projected at a median 0.99 times the latest twelve months (see charts). Meanwhile, latest projections indicate annual income of a median 8.7% for the U.S. stocks and 8.4% for the Canadian stocks.

After vacation on August 25 and September 1, Natural Gas and Oil Royalty Trusts is expected to resume weekly publication on September 8.

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

	Symbol/ Rating	Price (\$/sh) 17-Aug 2006	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/un)	Debt/ Present Value	McDep Ratio
U.S. Royalty Trusts							
Sabine Royalty Trust	SBR	46.00	14.6	670	45.00	-	1.02
Dorchester Minerals, L.P.	DMLP	27.02	28.2	760	27.00	-	1.00
Cross Timbers Royalty Trust	CRT	46.08	6.0	280	46.00	-	1.00
San Juan Basin Royalty Trust	SJT	B	38.46	46.6	1,790	40.00	0.96
Permian Basin RT	PBT	15.52	46.6	720	16.50	-	0.94
Hugoton RoyaltyTrust	HGT	29.52	40.0	1,180	34.00	-	0.87
Mesa RoyaltyTrust	MTR	64.00	1.9	120	75.00	-	0.85
	<i>Total or Median</i>			5,500			0.96
Canadian Income Trusts (US\$)							
Enerplus Resources Fund	ERF	55.99	123.1	6,890	47.00	0.10	1.17
Pengrowth Energy Trust	PGH	22.87	161.0	3,680	20.00	0.15	1.12
Penn West Energy Trust	PWE	B	40.75	258.6	10,540	39.00	1.04
Canadian Oil Sands Trust	COSWF	B	33.15	465.8	15,440	35.00	0.95
	<i>Total or Median</i>			36,600		0.11	1.08

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.

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 17-Aug 2006</i>	<i>Adjstd Resrvs/ Prod NTM</i>	<i>PV/ Ebitda NTM</i>	<i>EV/ Ebitda NTM</i>	<i>P/E NTM</i>	<i>Divd or Distrib NTM (%)</i>
U.S. Royalty Trusts							
Cross Timbers Royalty Trust	CRT	46.08	13.7	12.3	12.3	12.5	8.0
Sabine Royalty Trust	SBR	46.00	10.1	11.2	11.5	11.4	8.7
San Juan Basin Royalty Trust	SJT	B 38.46	13.7	11.2	10.8	12.0	8.3
Dorchester Minerals, L.P.	DMLP	27.02	8.3	10.1	10.1	15.0	9.3
Mesa RoyaltyTrust	MTR	64.00	19.9	11.4	9.7	10.6	9.5
Permian Basin RT	PBT	15.52	8.0	9.4	8.9	9.8	10.2
Hugoton RoyaltyTrust	HGT	29.52	13.8	9.4	8.2	12.0	8.3
	<i>Median</i>		<i>13.7</i>	<i>11.2</i>	<i>10.1</i>	<i>12.0</i>	<i>8.7</i>
Canadian Income Trusts (US\$)							
Canadian Oil Sands Trust	COSWF	B 33.15	26.5	11.6	11.0	14.2	5.6
Enerplus Resources Fund	ERF	55.99	9.4	7.1	8.3	15.6	8.0
Penn West Energy Trust	PWE	B 40.75	8.0	7.4	7.7	11.8	8.9
Pengrowth Energy Trust	PGH	22.87	7.5	6.5	7.3	12.2	11.6
	<i>Median</i>		<i>8.7</i>	<i>7.2</i>	<i>8.0</i>	<i>13.2</i>	<i>8.4</i>

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

	<i>Symbol</i>	<i>Revenue Royalty (%)</i>	<i>Natural Gas/ Ebitda (%)</i>	<i>Dist/ Ebitda</i>	<i>Dist/ Equity Ebitda</i>	<i>NTM Distribution (\$mm)</i>	<i>Dist. Distribution (\$/un)</i>	<i>Dist. Yield (%)</i>
U.S. Royalty Trusts								
Cross Timbers Royalty Trust	CRT	81	66	0.98	0.98	22	3.68	8.0
San Juan Basin Royalty Trust	SJT	-	98	0.89	0.89	149	3.20	8.3
Hugoton RoyaltyTrust	HGT	-	89	0.68	0.68	98	2.46	8.3
Sabine Royalty Trust	SBR	100	53	1.00	1.00	59	4.02	8.7
Dorchester Minerals, L.P.	DMLP	56	73	0.93	0.93	71	2.51	9.3
Mesa RoyaltyTrust	MTR	-	75	0.92	0.92	11	6.06	9.5
Permian Basin RT	PBT	29	35	0.91	0.91	74	1.59	10.2
	<i>Total or Median</i>		<i>73</i>	<i>0.92</i>	<i>0.92</i>	<i>500</i>		<i>8.7</i>
Canadian Income Trusts (US\$)								
Canadian Oil Sands Trust	COSWF	-	(8)	0.56	0.62	868	1.86	5.6
Enerplus Resources Fund	ERF	-	46	0.60	0.67	550	4.47	8.0
Penn West Energy Trust	PWE	-	38	0.60	0.68	936	3.62	8.9
Pengrowth Energy Trust	PGH	-	38	0.74	0.86	428	2.66	11.6
	<i>Total or Median</i>		<i>38</i>	<i>0.60</i>	<i>0.68</i>	<i>2,800</i>		<i>8.4</i>
Kinder Morgan Energy Partners	KMP			0.75	1.70			7.2

NTM = Next Twelve Months Ended June 30, 2007

Ebitda = Earnings before interest, tax, depreciation and amortization

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