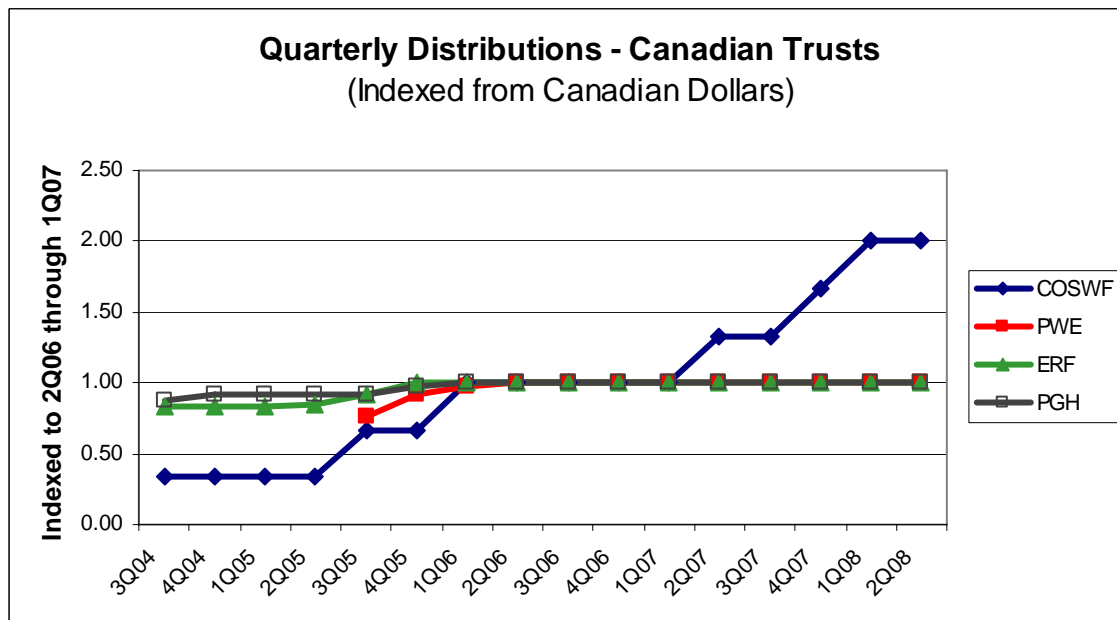


Futures Forecast Increasing Income

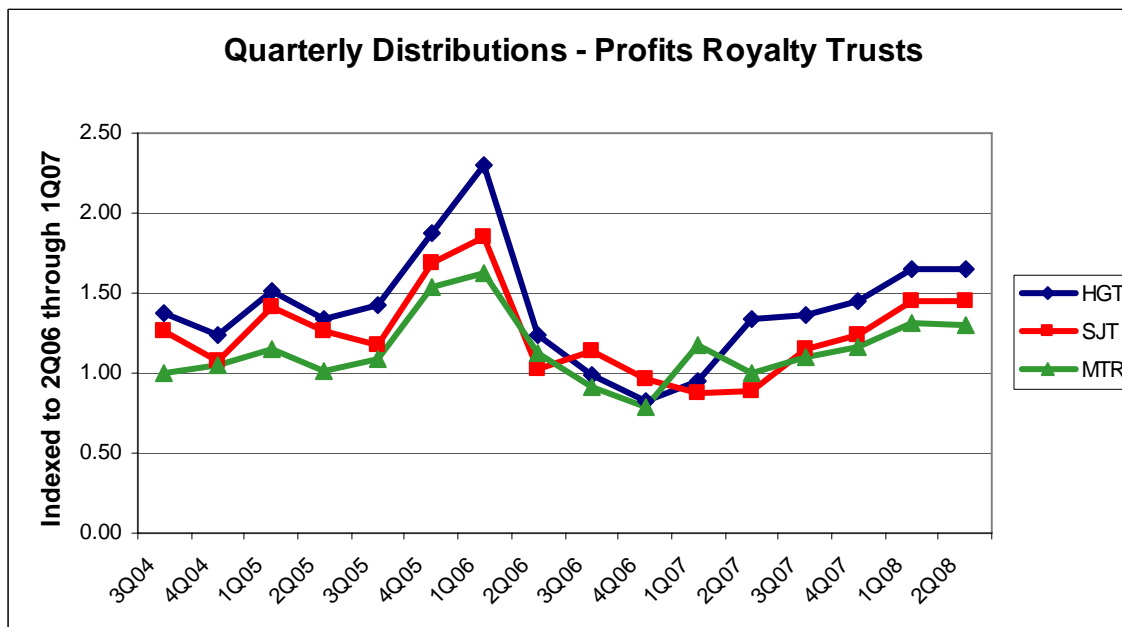
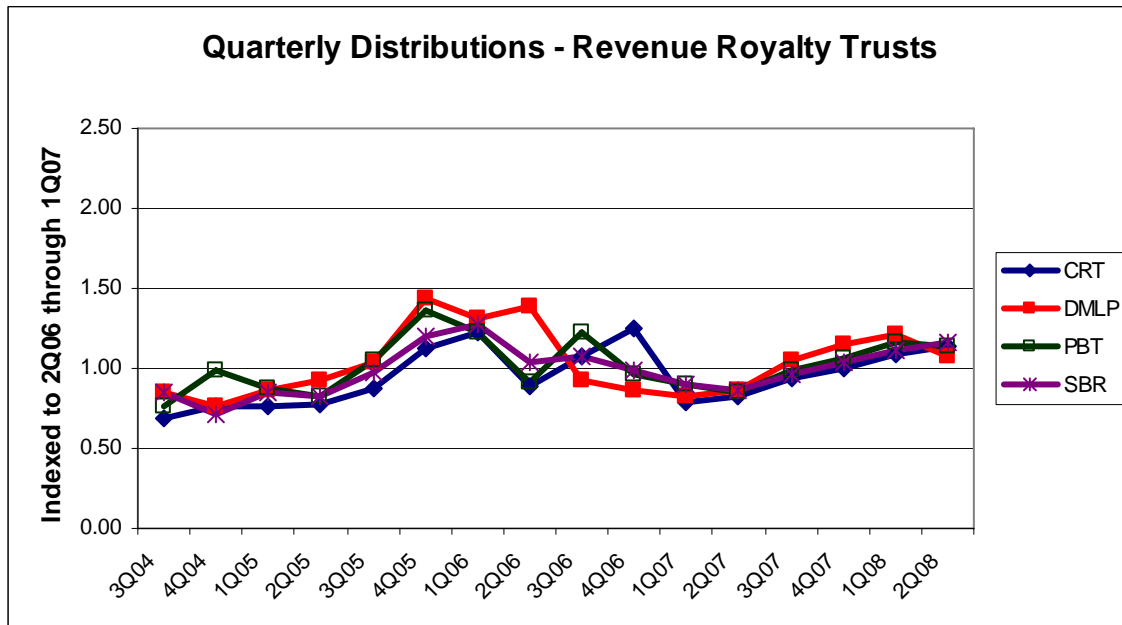
Summary and Recommendation

As we roll our projections forward another quarter to the next twelve months (NTM) ended 6/30/08 from 3/31/08, median distribution yield is 9.6% for seven U.S. stocks and 10.3% for four Canadian stocks (see table, page 4, Distribution Yield). Forecast by natural gas and oil futures prices, the trend traces increasing income with higher volume at buy-recommended **Canadian Oil Sands Trust (COSWF)** and stable income at a high level for buy-recommended **Penn West Energy Trust (PWE)** (see chart Canadian Trusts). Natural gas and oil prices already in the market place practically assure gains for U.S. royalty trusts because income is paid two or three months after actual production. Distributions are steadier for stocks that pay from the top, or revenue, line before deduction of operating and development costs (see chart Revenue Royalty Trusts). Gains may be relatively greater for stocks that pay from the bottom, or profit, line after deduction of operating and development costs, including buy recommendations **Hugoton Royalty Trust (HGT)** and **San Juan Basin Royalty Trust (SJT)** (see chart Profits Royalty Trusts).

Kurt H. Wulff, CFA



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

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 24-May 2007</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								
Cross Timbers Royalty Trust	CRT	44.41	6.0	270	46.00	-	0.96	
Sabine Royalty Trust	SBR	42.22	14.6	620	45.00	-	0.94	
Permian Basin RT	PBT	13.55	46.6	630	16.50	-	0.82	
Mesa RoyaltyTrust	MTR	56.67	1.9	110	70.00	-	0.81	
Dorchester Minerals, L.P.	DMLP	21.85	28.2	620	27.00	-	0.81	
San Juan Basin Royalty Trust	SJT	B	32.08	46.6	1,500	40.00	-	0.80
Hugoton RoyaltyTrust	HGT	B	27.17	40.0	1,090	34.00	-	0.80
	<i>Total or Median</i>			4,800				0.81
Canadian Income Trusts (US\$)								
Pengrowth Energy Trust	PGH	18.49	244.0	4,510	17.00	0.29	1.06	
Enerplus Resources Fund	ERF	47.96	123.4	5,920	47.00	0.14	1.02	
Penn West Energy Trust	PWE	B	34.66	239.7	8,310	36.00	0.16	0.97
Canadian Oil Sands Trust	COSWF	B	29.62	479.0	14,190	35.00	0.08	0.86
	<i>Total or Median</i>			32,900		0.15		0.99

B = Buy

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

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) 24-May 2007</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	44.41	12.9	11.3	10.9	11.2	9.0	
Sabine Royalty Trust	SBR	42.22	10.2	11.2	10.5	10.5	9.5	
Dorchester Minerals, L.P.	DMLP	21.85	9.1	10.8	8.7	13.2	11.4	
Mesa RoyaltyTrust	MTR	56.67	23.7	10.7	8.7	9.8	10.2	
San Juan Basin Royalty Trust	SJT	B	32.08	10.2	10.5	10.4	9.6	
Permian Basin RT	PBT	13.55	8.7	9.7	8.0	9.6	10.4	
Hugoton RoyaltyTrust	HGT	B	27.17	14.0	9.3	7.5	10.5	9.6
	<i>Median</i>		10.2	10.7	8.7	10.5	9.6	
Canadian Income Trusts (US\$)								
Canadian Oil Sands Trust	COSWF	B	29.62	21.1	10.4	9.0	11.9	6.5
Pengrowth Energy Trust	PGH	18.49	7.5	7.2	7.6	22.5	15.0	
Penn West Energy Trust	PWE	B	34.66	7.6	7.2	7.0	13.9	10.9
Enerplus Resources Fund	ERF	47.96	9.0	6.8	7.0	12.5	9.7	
	<i>Median</i>		8.3	7.2	7.3	13.2	10.3	

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2008; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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**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</i>		<i>Dist. Yield (%)</i>	
						<i>(\$mm)</i>	<i>(\$/un)</i>		
U.S. Royalty Trusts									
	Cross Timbers Royalty Trust	CRT	84	74	0.98	0.98	24	3.98	9.0
	Sabine Royalty Trust	SBR	100	59	1.00	1.00	59	4.02	9.5
	Hugoton Royalty Trust	HGT	-	92	0.71	0.71	104	2.60	9.6
	San Juan Basin Royalty Trust	SJT	-	98	0.82	0.82	144	3.09	9.6
	Mesa Royalty Trust	MTR	-	76	0.88	0.88	11	5.75	10.2
	Permian Basin RT	PBT	35	42	0.83	0.83	66	1.41	10.4
	Dorchester Minerals, L.P.	DMLP	64	76	1.00	1.00	71	2.50	11.4
	<i>Total or Median</i>			76	0.88	0.88	500		9.6
Canadian Income Trusts (US\$)									
	Canadian Oil Sands Trust	COSWF	-	(10)	0.53	0.58	927	1.94	6.5
	Enerplus Resources Fund	ERF	-	49	0.58	0.68	573	4.65	9.7
	Penn West Energy Trust	PWE	-	42	0.63	0.75	901	3.76	10.9
	Pengrowth Energy Trust	PGH	-	47	0.83	1.16	675	2.77	15.0
	<i>Total or Median</i>			45	0.60	0.71	3,100		10.3
	Kinder Morgan Energy Partners	KMP			0.80	1.75			6.0

NTM = Next Twelve Months Ended June 30, 2008

Ebitda = Earnings before interest, tax, depreciation and amortization

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