



**Canadian Oil Sands Trust
Raise Distribution Estimate 50%**

<i>Symbol</i>	COSWF	<i>Ebitda Next Twelve Months ending 6/30/09 (US\$mm)</i>	3,480
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	-8
<i>Price (US\$/un)</i>	50.55	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	6/5/08	<i>Adjusted Reserves/Production NTM</i>	22.0
<i>Units (mm)</i>	479	<i>EV/Ebitda</i>	7.3
<i>Market Capitalization (US\$mm)</i>	24,200	<i>PV/Ebitda</i>	8.2
<i>Debt (US\$mm)</i>	1,200	<i>Undeveloped Reserves (%)</i>	0
<i>Enterprise Value (EV) (US\$mm)</i>	25,400	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	75.98
<i>Present Value (PV) (US\$mm)</i>	28,500	<i>Present Value Proven Reserves(US\$/boe)</i>	33.37
<i>Net Present Value (US\$/unit)</i>	57	<i>Present Value Proven Reserves(US\$/mcfe)</i>	5.56
<i>Debt/Present Value</i>	0.04	<i>Earnings Next Twelve Months (US\$/un)</i>	6.16
<i>McDep Ratio - EV/PV</i>	0.89	<i>Price/Earnings Next Twelve Months</i>	8
<i>Distribution Yield (%/year)</i>	12.0	<i>Distribution Next Twelve Months (US\$/sh)</i>	6.07
Note: Estimated cash flow and earnings tied to one-year futures prices for oil.			
Estimated present value presumes a long-term price for oil of US\$100 a barrel and natural gas, \$14 a million btu.			
For historical analysis of COS since 2002 see www.mcdep.com/4cos.htm			

Summary and Recommendation

A compound annual growth rate in distribution of more than 50% a year for the past five years may continue as we now raise by fifty percent to C\$6 a unit from C\$4 our estimate of cash to be distributed in the Next Twelve Months (NTM) for buy-recommended **Canadian Oil Sands Trust (COSWF)**. As a result, the estimated NTM distribution yield becomes 12%. We change our technique for projecting distribution for COSWF by making the estimate equal to net free cash flow consistent with recent futures prices and anticipated operating conditions (see table Next Twelve Months Operating and Financial Estimates). That estimate will likely change in every edition of our weekly analysis, *Oil and Gas Income Stocks*, as it does for U.S. Royalty Trusts (see tables on pages 3 and 4 for latest income stock valuation metrics). In contrast, we change estimated Net Present Value (NPV) only occasionally. On May 13 we increased NPV to \$57 a unit from \$45 as we increased long-term oil price for calculating present value to \$100 a barrel from \$80. Regardless, we consider COSWF a legacy oil asset for investors much like successful operating companies consider their best property that regularly seems to exceed earlier expectations.

Kurt H. Wulff, CFA

Oil and Gas Income Stocks

A Weekly Analysis

June 6, 2008



Canadian Oil Sands Trust									
Next Twelve Months Operating and Financial Estimates									
(Canadian Dollars)									
									Next
	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Twelve
	2007	3/31/08	6/30/08	9/30/08	12/31/08	2008E	3/31/09	6/30/09	Months
									6/30/09
Volume									
Syncrude (mmb)	111.3	24.4	23.8	26.7	32.2	107.1	31.5	31.9	122.2
Syncrude (mbd)	305	268	261	290	350	293	350	350	335
Days	365	91	91	92	92	366	90	91	365
Trust share (%)	36.8	37.0	36.7	36.7	36.7	36.8	36.7	36.7	36.7
Trust Oil (mmb)	41.0	9.03	8.74	9.80	11.83	39.4	11.57	11.70	44.9
Trust Oil (mbd)	112.3	99.2	96.0	106.5	128.6	107.6	128.6	128.6	123.0
Price									
WTI Cushing (US\$/bbl)	72.28	97.94	123.06	132.15	131.57	121.18	131.00	131.79	131.63
Currency (US\$/C\$)	0.94	1.00	0.98	0.98	0.98	0.98	0.98	0.98	0.98
WTI Cushing (C\$/bbl)	76.78	98.40	125.27	134.52	133.92	123.03	133.35	134.15	133.99
Differential	2.24	1.91	1.00	1.00	1.00	2.20	1.00	1.00	0.98
Trust Oil Price (C\$/bbl)	79.02	100.31	126.27	135.52	134.92	125.22	134.35	135.15	134.96
Henry Hub Nat Gas (US\$/mmBtu)	6.87	8.02	10.93	12.04	12.44	10.86	12.89	12.21	12.39
Henry Hub Nat Gas (C\$/mmBtu)	7.30	8.05	11.13	12.26	12.66	11.02	13.12	12.43	12.62
AECO Natural Gas (C\$/GJ)	6.15	7.30	10.09	11.11	11.48	9.99	11.89	11.27	11.44
Revenue (\$mm)									
Oil	3,239	905	1,103	1,328	1,596	4,933	1,555	1,581	6,061
Transportation & Marketing	25	10				10			-
Other	(33)	(12)				(12)			-
Total	3,252	907	1,103	1,328	1,596	4,935	1,555	1,581	6,061
Expense									
Production	815	253	253	253	253	1,012	210	210	926
Purchased Energy	219	71	82	101	126	380	128	123	478
Crown Royalties	485	131	170	222	282	805	281	289	1,075
Insurance	8	2	2	2	2	8	2	2	8
Administration	20	4	4	4	4	16	5	5	18
Taxes and Other	1	-	-	3	3	6	3	3	12
Total	1,548	461	511	585	671	2,228	629	632	2,517
Ebitda	1,704	446	592	743	925	2,706	926	950	3,544
Deprec., Deplet., & Amort.	351	102	79	88	106	375	104	105	404
Currency Hedging	(11)	(1)				(1)			
Non-Production	63	17	17	17	17	68	22	22	78
Exchange on U.S. Debt	(117)	26				26			-
Future Income Tax	578	(14)				(14)			-
Ebit	840	316	496	638	802	2,252	799	822	3,062
Interest	85	17	17	17	17	68	13	13	60
Net Income (\$mm)	755	299	479	621	785	2,184	786	809	3,002
Per Unit (\$)	1.55	0.62	1.00	1.30	1.64	4.56	1.64	1.69	6.27
Units (millions)	487	479	479	479	479	479	479	479	479
Cash Flow (\$mm)	1,567	441	558	709	891	2,571	891	915	3,406
Per Unit (\$)	3.22	0.92	1.16	1.48	1.86	5.36	1.86	1.91	7.11
Capital Expend (C\$/unit)	0.27	0.10	0.15	0.15	0.15	0.55	0.15	0.15	0.60
Net Free Cash Flow (C\$/unit)	2.61	0.82	1.01	1.33	1.71	4.88	1.71	1.76	6.51
Ratios									
Production (\$/bbl)	19.88	28.04	28.97	25.82	21.39	25.70	18.15	17.95	20.62
Purchased Energy (\$/bbl)	5.34	7.86	9.38	10.33	10.67	9.66	11.06	10.48	10.65
Prod&Purch En (\$/bbl)	25.23	35.90	38.35	36.15	32.07	35.36	29.21	28.42	31.27
Crown Royalties & Taxes	15%	14%	15%	17%	18%	16%	18%	18%	18%
Other Expense (\$/bbl)	0.02	-	-	0.31	0.25	0.15	0.26	0.26	0.27
Ebitda Margin	52%	49%	54%	56%	58%	55%	60%	60%	58%
Deprec., D.& A (\$/bbl)	8.56	11.30	9.00	9.00	9.00	9.53	9.00	9.00	9.00
Distribution	1.65	0.75	1.00	1.00	1.71	4.46	1.71	1.76	6.18

Oil and Gas Income Stocks

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Natural Gas and Oil Income Stocks - Rank by McDep Ratio								
			Price (\$/sh)	Shares	Market Cap (\$mm)	Net Present Value (\$/un)	Debt/ Present Value	McDep Ratio
	Symbol/ Rating		5-Jun 2008	(mm)				
U.S. Royalty Trusts								
Sabine Royalty Trust	SBR		65.50	14.6	960	60.00	-	1.09
Permian Basin RT	PBT		22.65	46.6	1,060	23.00	-	0.99
Cross Timbers Royalty Trust	CRT		51.71	6.0	310	57.00	-	0.91
San Juan Basin Royalty Trust	SJT	B	42.47	46.6	1,980	48.00	-	0.88
Hugoton RoyaltyTrust	HGT	B	33.34	40.0	1,330	42.00	-	0.79
Mesa RoyaltyTrust	MTR		72.85	1.9	140	93.00	-	0.78
<i>Total or Median</i>					5,800			0.90
Canadian Income Trusts (US\$)								
Canadian Oil Sands Trust	COSWF	B	50.55	479.0	24,220	57.00	0.04	0.89
Pengrowth Energy Trust	PGH		20.19	247.0	4,990	24.00	0.25	0.88
Penn West Energy Trust	PWE	B	32.85	366.7	12,050	45.00	0.24	0.79
Enerplus Resources Fund	ERF		47.67	153.0	7,290	63.00	0.15	0.79
<i>Total or Median</i>					48,600		0.19	0.84
U.S. Master Limited Partnerships (MLPs)								
Kinder Morgan Energy Partners, L.P.	KMP	S	59.60	189.1	11,270	17.00	0.57	2.08
Encore Energy Partners, L.P. (32%)	ENP		26.00	10.2	270	26.00	0.18	1.00
Dorchester Minerals, L.P.	DMLP		28.00	28.2	790	33.00	-	0.85
Linn Energy, LLC	LINE		23.03	114.0	2,630	35.00	0.38	0.79
<i>Total or Median</i>					15,000		0.28	0.92
B = Buy, S = Sell								
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses								
Present Value presumes long-term prices of \$100 a barrel for oil and \$14 a million btu for natural gas.								

Natural Gas and Oil Income Stocks - Rank by EV/Ebitda								
			Price (\$/sh)	Adjstd Resrvs/ Prod	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)
	Symbol/ Rating		5-Jun 2008	NTM	NTM	NTM	NTM	
U.S. Royalty Trusts								
Sabine Royalty Trust	SBR		65.50	9.1	7.9	8.6	8.6	11.6
Cross Timbers Royalty Trust	CRT		51.71	13.4	8.9	8.1	8.5	11.7
San Juan Basin Royalty Trust	SJT	B	42.47	10.4	8.4	7.5	9.1	11.0
Permian Basin RT	PBT		22.65	8.4	7.0	6.9	7.2	13.8
Mesa RoyaltyTrust	MTR		72.85	21.1	8.6	6.8	7.7	13.0
Hugoton RoyaltyTrust	HGT	B	33.34	13.1	7.9	6.3	9.0	11.1
<i>Median</i>				11.8	8.2	7.2	8.6	11.7
Canadian Income Trusts (US\$)								
Canadian Oil Sands Trust	COSWF	B	50.55	22.0	8.2	7.3	8.2	12.0
Pengrowth Energy Trust	PGH		20.19	8.9	5.7	5.0		13.5
Enerplus Resources Fund	ERF		47.67	9.6	6.0	4.8	7.8	10.7
Penn West Energy Trust	PWE	B	32.85	7.3	5.4	4.3	9.8	12.6
<i>Median</i>				9.2	5.9	4.9	8.2	12.3
U.S. Master Limited Partnerships (MLPs)								
Kinder Morgan Energy Partners, L.P.	KMP	S	59.60	8.0	7.4	15.4	23.1	6.2
Linn Energy, LLC	LINE		23.03	17.4	9.4	7.4		10.9
Dorchester Minerals, L.P.	DMLP		28.00	8.5	8.6	7.3	9.3	13.8
Encore Energy Partners, L.P.	ENP		26.00	12.4	6.4	6.4		8.9
<i>Median</i>				10.4	8.0	7.3	16.2	9.9
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2009; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses								

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Natural Gas and Oil Income Stocks - Rank by NTM Distribution Yield								
		<i>Revenue</i>	<i>Natural Gas/</i>		<i>Dist/</i>			<i>Dist.</i>
	<i>Symbol</i>	<i>Royalty</i>	<i>Ebitda</i>	<i>Dist/</i>	<i>Equity</i>	<i>NTM Distribution</i>		<i>Yield</i>
		<i>(%)</i>	<i>(%)</i>	<i>Ebitda</i>	<i>Ebitda</i>	<i>(\$mm)</i>	<i>(\$/un)</i>	<i>(%)</i>
U.S. Royalty Trusts								
San Juan Basin Royalty Trust	SJT	-	99	0.82	0.82	217	4.66	11.0
Hugoton RoyaltyTrust	HGT	-	88	0.70	0.70	148	3.70	11.1
Sabine Royalty Trust	SBR	100	57	1.00	1.00	111	7.60	11.6
Cross Timbers Royalty Trust	CRT	84	68	0.94	0.94	36	6.06	11.7
Mesa RoyaltyTrust	MTR	-	67	0.88	0.88	18	9.46	13.0
Permian Basin RT	PBT	32	35	0.95	0.95	146	3.13	13.8
<i>Total or Median</i>				<i>68</i>	<i>0.91</i>	<i>0.91</i>	<i>700</i>	<i>11.7</i>
Canadian Income Trusts (US\$)								
Enerplus Resources Fund	ERF	-	48	0.42	0.49	780	5.10	10.7
Canadian Oil Sands Trust	COSWF	-	(8)	0.84	0.87	2,908	6.07	12.0
Penn West Energy Trust	PWE	-	33	0.38	0.50	1,513	4.13	12.6
Pengrowth Energy Trust	PGH	-	37	0.49	0.65	674	2.73	13.5
<i>Total or Median</i>				<i>35</i>	<i>0.45</i>	<i>0.57</i>	<i>5,900</i>	<i>12.3</i>
U.S. Master Limited Partnerships (MLPs)								
Kinder Morgan Energy Partners,	KMP		-	0.69	1.60	696	3.68	6.2
Encore Energy Partners, L.P.	ENP		18	0.46	0.57	23	2.30	8.9
Linn Energy, LLC	LINE		57	0.42	0.67	287	2.52	10.9
Dorchester Minerals, L.P.	DMLP	64	73	1.00	1.00	109	3.85	13.8
<i>Total or Median</i>				<i>37</i>	<i>0.58</i>	<i>0.84</i>	<i>1,100</i>	<i>9.9</i>
NTM = Next Twelve Months Ended June 30, 2009								
Ebitda = Earnings before interest, tax, depreciation and amortization								

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