

Rating: Buy  
S&P 500: 1403

## Canadian Oil Sands Trust New Twelve Month Volume High

<i>Symbol</i>	COSWF	<i>Ebitda Next Twelve Months ending 12/31/07 (US\$mm)</i>	1,400
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	-10
<i>Price (US\$/un)</i>	23.19	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	3/1/07	<i>Adjusted Reserves/Production NTM</i>	23.0
<i>Units (mm)</i>	479	<i>EV/Ebitda</i>	8.9
<i>Market Capitalization (US\$mm)</i>	11,110	<i>PV/Ebitda</i>	13.0
<i>Debt (US\$mm)</i>	1,400	<i>Undeveloped Reserves (%)</i>	0
<i>Enterprise Value (EV) (US\$mm)</i>	12,510	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	31.16
<i>Present Value (PV) (US\$mm)</i>	18,200	<i>Present Value Proven Reserves(US\$/boe)</i>	17.97
<i>Net Present Value (US\$/unit)</i>	35	<i>Present Value Proven Reserves(US\$/mcf)</i>	2.99
<i>Debt/Present Value</i>	0.08	<i>Earnings Next Twelve Months (US\$/un)</i>	1.88
<i>McDep Ratio - EV/PV</i>	0.69	<i>Price/Earnings Next Twelve Months</i>	12
<i>Distribution Yield (%/year)</i>	6.6	<i>Distribution Next Twelve Months (US\$/sh)</i>	1.54

Note: Estimated cash flow and earnings tied to one-year futures prices for oil.

Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.

Estimated present value presumes a long-term price for oil of US\$60 a barrel and natural gas, \$10 a million btu.

For historical analysis of COS since 2002 see [www.mcdep.com/4cos.htm](http://www.mcdep.com/4cos.htm)

### Summary and Recommendation

Buy-recommended **Canadian Oil Sands Trust (COSWF)**'s 36.7% owned Syncrude rebounded to the third highest monthly average in February after a dip in January (see chart, [Syncrude Volume](#)). The world's largest oil sands producing facility scored another record twelve month average as it advances to steady operation at 350,000 barrels daily. Chief Executive Marcel Coutu disclosed at a presentation on February 23 that the plant was operating at the full rate in recent days. While the new coker, number 8-3, and the most important operating unit, was operating below design capacity, the older cokers, 8-1 and 8-2 were making up the difference. A new operating agreement with ExxonMobil promises less volatility in future operations. We think the slow "ramp-up" to expanded capacity has held back COS stock temporarily. As a result, stock price may score gains just ahead as new volume records are set. Canadian Oil Sands Trust remains our top oil recommendation with its highest representation in crude oil production and its double weighting in the illustrative McDep Energy Portfolio concentrated on real assets promising a high return providing clean fuel for global growth.

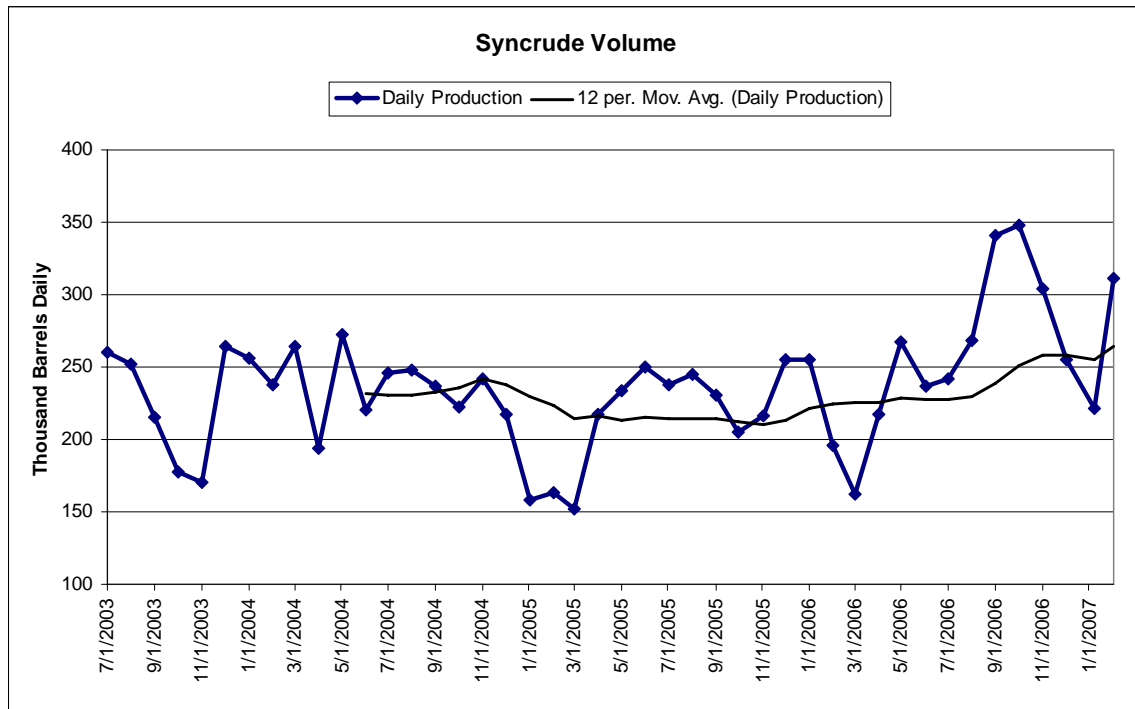
Kurt H. Wulff, CFA

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**Canadian Oil Sands Trust**  
**Next Twelve Months Operating and Financial Estimates**  
 (Canadian Dollars)

	<i>Q4</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Next Twelve Months</i>
	<i>12/31/05</i>	<i>9/30/06</i>	<i>12/31/06</i>	<i>2006</i>	<i>3/31/07</i>	<i>6/30/07</i>	<i>9/30/07</i>	<i>12/31/07</i>	<i>12/31/07</i>
<b>Volume</b>									
Syncrude (mmb)	20.8	26.0	27.8	<b>94.2</b>	26.0	30.8	31.0	32.2	<b>120.0</b>
Syncrude (mbd)	226	283	302	<b>258</b>	289	338	337	350	<b>329</b>
Days	92	92	92	<b>365</b>	90	91	92	92	<b>365</b>
Trust share (%)	34.7	33.7	36.4	<b>35.6</b>	36.7	36.7	36.7	36.7	<b>36.7</b>
Trust Oil (mmb)	7.21	8.78	10.14	<b>33.5</b>	9.57	11.30	11.39	11.83	<b>44.1</b>
Trust Oil (mbd)	78.3	95.4	110.2	<b>91.8</b>	106.3	124.2	123.8	128.6	<b>120.8</b>
<b>Price</b>									
WTI Cushing (US\$/bbl)	60.02	70.42	59.99	<b>66.05</b>	58.54	63.08	65.34	66.60	<b>63.39</b>
Currency (US\$/C\$)	0.85	0.89	0.88	<b>0.88</b>	0.86	0.86	0.86	0.86	<b>0.86</b>
WTI Cushing (C\$/bbl)	70.61	79.12	68.17	<b>74.77</b>	68.46	73.77	76.41	77.89	<b>74.13</b>
Differential	1.71	0.04	(4.70)	<b>(1.96)</b>	(1.80)	(1.94)	(2.01)	(2.05)	<b>(1.68)</b>
Trust Oil Price (C\$/bbl)	72.32	79.17	63.47	<b>72.81</b>	66.67	71.83	74.40	75.84	<b>72.45</b>
Henry Hub Nat Gas (US\$/mmt)	13.00	6.58	6.57	<b>7.23</b>	6.70	7.40	7.72	8.45	<b>7.57</b>
Henry Hub Nat Gas (C\$/mmbtu)	15.30	7.40	7.46	<b>8.19</b>	7.84	8.66	9.02	9.88	<b>8.85</b>
AECO Natural Gas (C\$/GJ)	10.73	5.42	6.26	<b>6.21</b>	6.58	7.26	7.57	8.29	<b>7.42</b>
<b>Revenue (\$mm)</b>									
Oil	521	695	643	<b>2,441</b>	638	812	847	897	<b>3,194</b>
Transportation & Marketing	9	9	12	<b>41</b>	2	2	2	2	<b>8</b>
Other	(1)	(9)	(15)	<b>(64)</b>	-	-	-	-	<b>-</b>
Total	513	695	646	<b>2,423</b>	636	810	846	895	<b>3,187</b>
<b>Expense</b>									
Production	113	133	179	<b>701</b>	189	189	189	189	<b>756</b>
Purchased Energy	71	40	60	<b>206</b>	59	77	81	92	<b>310</b>
Crown Royalties	5	115	83	<b>232</b>	77	115	123	133	<b>448</b>
Insurance	3	1	1	<b>6</b>	2	2	2	2	<b>8</b>
Administration	5	3	5	<b>17</b>	4	4	4	4	<b>15</b>
Taxes and Other	3	(1)	-	<b>(1)</b>	3	3	3	3	<b>11</b>
Total	200	291	328	<b>1,161</b>	333	390	402	423	<b>1,548</b>
<b>Ebitda</b>									
Deprec., Deplet., & Amort.	72	70	75	<b>255</b>	96	113	114	118	<b>441</b>
Oil Hedging									
Currency Hedging	(7)	(3)	(2)	<b>(20)</b>	(6)	(6)	(6)	(6)	<b>(22)</b>
Non-Production	32	11	14	<b>70</b>	19	19	19	19	<b>74</b>
Exchange on U.S. Debt	4	(1)	40	<b>(5)</b>					<b>-</b>
Future Income Tax	14	13	39	<b>18</b>					<b>-</b>
<b>Ebit</b>	198	314	152	<b>944</b>	195	294	317	341	<b>1,147</b>
Interest	25	24	24	<b>98</b>	24	24	24	24	<b>96</b>
<b>Net Income (\$mm)</b>									
Per Unit (\$)	0.37	0.60	0.27	<b>1.79</b>	0.36	0.56	0.61	0.66	<b>2.19</b>
<b>Units (millions)</b>									
	461.5	467.0	469.0	<b>473.7</b>	479.0	479.0	479.0	479.0	<b>479.0</b>
<b>Cash Flow (\$mm)</b>									
Per Unit (\$)	0.57	0.77	0.63	<b>2.35</b>	0.54	0.79	0.84	0.90	<b>3.11</b>
Capital Expend (C\$/unit)					0.13	0.13	0.13	0.13	<b>0.53</b>
Free Cash Flow (C\$/unit)					0.41	0.65	0.70	0.76	<b>2.54</b>
<b>Ratios</b>									
Production (\$/bbl)	15.64	15.09	17.67	<b>20.90</b>	19.75	16.72	16.59	15.98	<b>17.15</b>
Purchased Energy (\$/bbl)	9.89	4.61	5.91	<b>6.15</b>	6.18	6.83	7.12	7.79	<b>7.02</b>
Prod&Purch En (\$/bbl)	25.54	19.70	23.58	<b>27.06</b>	25.93	23.55	23.71	23.77	<b>24.17</b>
Crown Royalties & Taxes	1%	17%	13%	<b>10%</b>	12%	14%	15%	15%	<b>14%</b>
Other Expense (\$/bbl)	0.42	(0.11)	-	<b>(0.03)</b>	0.29	0.24	0.24	0.23	<b>0.25</b>
Ebitda Margin	61%	58%	49%	<b>52%</b>	48%	52%	52%	53%	<b>51%</b>
Deprec., D,& A (\$/bbl)	9.99	7.97	7.40	<b>7.61</b>	10.00	10.00	10.00	10.00	<b>10.00</b>
<b>Distribution</b>									
	0.20	0.30	0.30	<b>1.20</b>	0.30	0.40	0.50	0.60	<b>1.80</b>

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