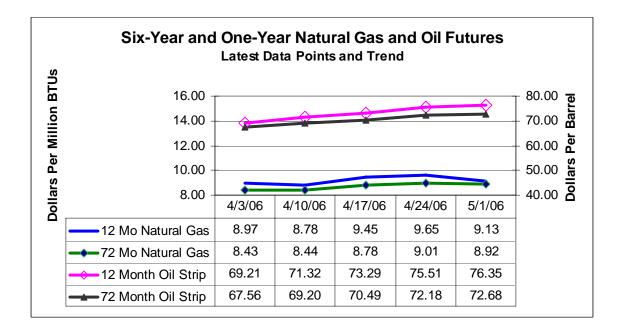
A Weekly Analysis of Energy Stocks Using the McDep Ratio May 2, 2006

Gazprom the Great

Summary and Recommendation

We reclassify buy-recommended **Gazprom** (**OGZPY**) from large cap to mega cap, defined as sustained market cap above a hundred billion dollars for publicly-held shares. Counting the Russian government's 50% ownership, Gazprom has overtaken Microsoft as the world's third largest company following buy-recommended **Exxon Mobil** (**XOM**) and General Electric according to Bloomberg. As an indicator of potential additional buying pressure for the shares, Gazprom's weight in the Morgan Stanley Capital International Emerging Market Index is scheduled to increase from 0.4% to 4.8% in two steps, on June 1 and about September 1. McDep Ratio now at 0.83 is no longer the lowest, but still at the low end of the range for buy recommendations. Moreover, there is more than normal potential for present value to increase as the company's selling price for natural gas moves to the world level and its reserves expand with new development. Meanwhile, the world oil price continues in a long-term upward trend.



Kurt H. Wulff, CFA

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Oil and Gas Producers Rank by McDep Ratio: Market Cap and Debt to Present Value

	Price			Net				
			(\$/sh)		Market	Present	Debt/	
	Symbol/		1-May	Shares	Cap	Value	Present	McDep
	F	lating	2006	(mm)	(\$mm)	(\$/sh)	Value	Ratio
Mega Cap								
BP plc	BP	В	74.40	3,420	254,000	77.00	0.16	0.97
Total S.A.	TOT	В	138.85	1,173	163,000	160.00	0.13	0.88
Royal Dutch Shell plc	RDS-A	В	68.70	3,293	226,000	80.00	0.11	0.87
Exxon Mobil Corporation	XOM	В	63.42	6,126	389,000	74.00	0.04	0.86
Gazprom (50%)	OGZPF	В	46.00	2,833	130,300	56.00	0.02	0.83
ConocoPhillips	COP	В	67.80	1,693	115,000	95.00	0.22	0.78
Chevron Corporation	CVX	В	61.17	2,224	136,000	85.00	0.11	0.75
Total or Mediar					1,413,000		0.11	0.86
Producer/Refiners - Large Cap an	-		00.00	105	11.000	aa aa	0.75	
Kinder Morgan, Inc.	KMI	S2	88.00	135	11,880	33.00	0.75	1.41
Imperial Oil Limited (30%)	IMO	В	107.12	101	10,800	90.00	0.10	1.17
Norsk Hydro ASA	NHY	В	155.10	250	38,790	130.00	0.16	1.16
Suncor Energy	SU	В	87.52	461	40,360	75.00	0.10	1.15
Petro-Canada	PCZ	В	49.49	520	25,730	42.00	0.20	1.14
Marathon Oil Corporation	MRO	В	81.13	367	29,800	75.00	0.20	1.07
PetroChina Company Ltd (10%)	PTR	В	112.85	178	20,060	120.00	0.05	0.94
Lukoil Oil Company	LUKOY	В	90.00	830	75,000	110.00	0.01	0.82
Total or Mediar			W LG		252,000		0.13	1.15
Independent Natural Gas and Oil	-	-	-	965	42 800	51 00	0.14	0.00
Encana Corporation	ECA	B	50.65	865	43,800	51.00	0.14	0.99
CNOOC Limited (29%)	CEO	B	82.30	119	9,820	84.00	0.12	0.98
Occidental Petroleum Corp.	OXY XTO	B B	104.29	431	44,900	120.00	0.12	0.89 0.86
XTO Energy Inc.			43.18	370	15,980	52.00		
EOG Resources	EOG	B B	71.81	245	17,600	90.00	0.04	0.81
Anadarko Petroleum Corp.	APC DVN	в В	107.92 60.78	232 451	25,000	160.00	0.11	0.71 0.69
Devon Energy Corporation		Б	00.78	431	27,400	94.00	0.12 0.12	
Total or Mediar Independent Natural Gas and Oil					185,000		0.12	0.86
Berry Petroleum Company	BRY	Р В	73.49	23	1,650	65.00	0.11	1.11
Energy Partners Ltd.	EPL	B	26.48	23 41	1,030	29.00	0.11	0.93
Encore Acquisition Company	EAC	B	31.08	50	1,080	29.00 50.00	0.21	0.93
Cimarex Energy Company	XEC	B	43.61	85	3,710	64.00	0.24	0.71
Total or Mediar		Б	45.01	85	<i>3,710</i> <i>8,000</i>	04.00	0.08	0.82
Income					0,000		0.10	0.02
Kinder Morgan Energy Partners, L.P	KMP	S 3	46.04	165	7,610	15.00	0.56	1.92
Kinder Morgan Energy Farmers, E.I Kinder Morgan Management, LLC	KMR	S3	42.82	58	2,480	15.00	0.56	1.92
Pengrowth Energy Trust	PGH	35	42.82 24.74	160	2,480 3,960	18.00	0.50	1.31
Enerplus Resources Fund	ERF		54.10	114	6,180	42.00	0.17	1.25
Canadian Oil Sands Trust (US\$)	COSWF	В	32.89	464	15,250	27.20	0.13	1.18
Penn West Energy Trust (US\$)	PWTFF	B	39.62	230	9,090	33.00	0.12	1.13
San Juan Basin Royalty Trust	SJT	B	40.11	47	1,870	40.00	- 0.15	1.00
Total or Mediar		Ъ	-10.11	+/	46,400	-0.00	0.15	1.00
Total of Mediar	ı				40,400		0.15	1.23

B = Buy, S2 = Short half unlevered position, S3 = Short quarter unlevered position, H = HoldMcDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

A Weekly Analysis of Energy Stocks Using the McDep Ratio May 2, 2006

Oil and Gas Producers

Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

$\begin{array}{c c c c c c c c c c c c c c c c c c c $		Symbol/ Ra	uting	Price (\$/sh) 1-May 2006	Adjstd Resrvs/ Prod NTM	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	8 1								
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Gazprom (50%)	OGZPF	В	46.00	20.0	9.5	7.9	13	0.4
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		BP	В	74.40	9.3	6.0	5.8		3.0
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Exxon Mobil Corporation	XOM	В	63.42	11.4	6.0	5.2	9	2.0
$\begin{array}{c cccc} ConcoPhillips & COP B 67.80 & 12.1 & 5.4 & 4.2 & 6 & 2.1 \\ Chevon Corporation & CVX B & 61.17 & 11.0 & 5.8 & 5.1 & 9 & 2.9 \\ \hline \begin{tabular}{ cccc ccc ccc } \hline \begin{tabular}{ cccc } \hline \begin{tabular}{ ccccc } \hline \begin{tabular}{ cccc } \hline \begin{tabular}{ ccccc } \hline \begin{tabular}{ ccccc } \hline \begin{tabular}{ ccccc } \hline \begin{tabular}{ ccccc } \hline \begin{tabular}{ cccccccc } \hline \begin{tabular}{ cccccccccccccccccccccccccccccccccccc$		TOT	В	138.85	9.3	5.8	5.1	9	2.9
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Royal Dutch Shell plc	RDS-A	В	68.70	7.3	5.2	4.5	8	3.3
Median I1.0 5.8 5.1 9 2.9 Producer/Refiners - Large Cap and Mid Cap Kinder Morgan, Inc. KMI S2 88.00 8.6 12.2 15 4.0 Suncor Energy SU B 87.52 17.7 7.1 8.1 16 0.2 Imperial Oil Limited (30%) IMO B 107.12 9.3 5.8 6.8 11 0.7 Petro-Canada PCZ B 49.49 6.9 5.0 5.7 11 0.7 Petro-Cina Company Ltd (10%) PTR B 112.85 11.6 5.7 5.3 10 3.7 Norsk Hydro ASA NHY B 155.10 7.8 4.3 5.0 11 2.3 Marathon Oil Corporation MRO B 81.13 8.3 4.4 4.7 8 1.6 Lukoil Oil Company LUKOY B 9.00 20.2 5.7 5.7 13 0.8 Cold Resources EOG	1	COP	В	67.80	12.1	5.4	4.2	6	2.1
Producer/Refiners - Large Cap and Mid CapKinder Morgan, Inc.KMIS288.008612.2154.0Suncor EnergySUB87.5217.77.18.1160.2Imperial OI Limited (30%)IMOB107.129.35.86.8110.7Petro-CanadaPCZB49.496.95.05.7110.7Petro-China Company Ltd (10%)PTRB112.8511.65.75.3103.7Norsk Hydro ASANHYB155.107.84.35.0112.3Marathon Oil CorporationMROB81.138.34.44.781.6Lukoil Oil CompanyLUKOYB90.0020.25.74.771.3 <i>Median</i> \sim 2.35.75.7110.55.71.10.5Encana CorporationECAB43.1812.17.36.2110.5Encana CorporationECAB50.658.65.75.7130.8EOG ResourcesEOGB71.819.66.75.4120.3Occidental Petroleum Corp.APCB107.9212.66.64.780.7CNOOC Limited (29%)CEOB82.3010.03.93.873.1Devon Energy CorporationDVNB60.788.65.53.870.7<	Chevron Corporation	CVX	В	61.17	11.0				
Kinder Morgan, Inc.KMIS288.008.612.2154.0Suncor EnergySUB87.5217.77.18.1160.2Imperial Oil Limited (30%)IMOB107.129.35.86.8110.8Petro-China Company Ltd (10%)PTRB112.8511.65.75.3103.7Norsk Hydro ASANHYB155.107.84.35.0112.3Marathon Oil CorporationMROB81.138.34.44.781.6Lukoil Oil CompanyLUKOYB90.0020.25.74.771.3 <i>Median</i> 3.575.5111.5Independent Natural Gas and Oil - Large Cap and Mil CapXTO Energy Inc.XTOB43.1812.17.36.2110.5Encana CorporationECAB50.658.65.75.7130.8EOG ResourcesEOGB71.819.66.75.4120.3Occidental Petroleum Corp.APCB107.9212.66.64.780.7CNOOC Limited (29%)CEOB82.3010.03.93.873.1Devon Energy CorporationDVNB60.785.5150.8Encore Acquisition CompanyEACB31.0814.97.15.1 </td <td></td> <td></td> <td></td> <td></td> <td>11.0</td> <td>5.8</td> <td>5.1</td> <td>9</td> <td>2.9</td>					11.0	5.8	5.1	9	2.9
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Producer/Refiners - Large Cap and M	Iid Cap							
$\begin{array}{c ccccc} \mbox{Imperial Oil Limited (30%) & IMO & B & 107.12 & 9.3 & 5.8 & 6.8 & 11 & 0.8 \\ \mbox{Petro-Canada} & PCZ & B & 49.49 & 6.9 & 5.0 & 5.7 & 11 & 0.7 \\ \mbox{Petro-China Company Ltd (10%) & PTR & B & 112.85 & 11.6 & 5.7 & 5.3 & 10 & 3.7 \\ \mbox{Norsk Hydro ASA} & NHY & B & 155.10 & 7.8 & 4.3 & 5.0 & 11 & 2.3 \\ \mbox{Marathon Oil Corporation} & MRO & B & 81.13 & 8.3 & 4.4 & 4.7 & 8 & 1.6 \\ \mbox{LuKOY B } & 90.00 & 20.2 & 5.7 & 4.7 & 7 & 1.3 \\ \mbox{Median} & ULKOY & B & 90.00 & 20.2 & 5.7 & 4.7 & 7 & 1.3 \\ \mbox{Median} & MRO & B & 43.18 & 12.1 & 7.3 & 6.2 & 11 & 0.5 \\ \mbox{Encana Corporation} & ECA & B & 50.65 & 8.6 & 5.7 & 5.7 & 13 & 0.8 \\ \mbox{EOG Resources} & EOG & B & 71.81 & 9.6 & 6.7 & 5.4 & 12 & 0.3 \\ \mbox{Occidental Petroleum Corp.} & APC & B & 107.92 & 12.6 & 6.6 & 4.7 & 8 & 0.7 \\ \mbox{CNOOC Limited (29%)} & CEO & B & 82.30 & 10.0 & 3.9 & 3.8 & 7 & 3.1 \\ \mbox{Devon Energy Corporation} & DVN & B & 60.78 & 8.6 & 5.5 & 3.8 & 7 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.0 & 5.5 & 15 & 0.8 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.7 & 4.7 & 8 & 0.7 \\ \mbox{Median} & I0.0 & 5.0 & 5.5 & 15 & 0.8 \\ \mbox{Median} & I0.0 & I1.0 & 13 & 7.8 \\ \mbox{Herey Partners Ltd} & EPL & B & 26.48 & 5.7 & 4.1 & 3.8 & 23 & - \\ \mbox{Median} & I0.0 & S.3 & 11.0 & 15 & 4.9 \\ Med$	Kinder Morgan, Inc.	KMI	S2	88.00		8.6	12.2	15	4.0
$\begin{array}{c ccccc} Petro-Canada & PCZ & B & 49.49 & 6.9 & 5.0 & 5.7 & 11 & 0.7 \\ PetroChina Company Ltd (10%) & PTR & B & 112.85 & 11.6 & 5.7 & 5.3 & 10 & 3.7 \\ Norsk Hydro ASA & NHY & B & 155.10 & 7.8 & 4.3 & 5.0 & 11 & 2.3 \\ Marathon Oil Corporation & MRO & B & 81.13 & 8.3 & 4.4 & 4.7 & 8 & 1.6 \\ Lukoil Oil Company & LUKOY & B & 90.00 & 20.2 & 5.7 & 4.7 & 7 & 1.3 \\ \hline Median & 9.3 & 5.7 & 5.5 & 11 & 1.5 \\ \hline Independent Natural Gas and Oil - Large Cap and Mid Cap & & & \\ XTO Energy Inc. & XTO & B & 43.18 & 12.1 & 7.3 & 6.2 & 11 & 0.5 \\ Encana Corporation & ECA & B & 50.65 & 8.6 & 5.7 & 5.7 & 13 & 0.8 \\ EOG Resources & EOG & B & 71.81 & 9.6 & 6.7 & 5.4 & 12 & 0.3 \\ Occidental Petroleum Corp. & APC & B & 104.29 & 10.4 & 5.3 & 4.7 & 8 & 1.4 \\ Anadarko Petroleum Corp. & APC & B & 107.92 & 12.6 & 6.6 & 4.7 & 8 & 0.7 \\ CNOOC Limited (29%) & CEO & B & 82.30 & 10.0 & 3.9 & 3.8 & 7 & 3.1 \\ Devon Energy Corporation & DVN & B & 60.78 & 8.6 & 5.5 & 3.8 & 7 & 0.7 \\ \hline Median & 10.0 & 5.7 & 4.7 & 8 & 0.7 \\ \hline Median & 10.0 & 5.7 & 4.1 & 3.8 & 23 & -7 \\ \hline Median & I0.0 & 5.0 & 5.5 & 15 & 0.8 \\ Encore Acquisition Company & EAC & B & 31.08 & 14.9 & 7.1 & 5.1 & 11 & -5 \\ Encore Acquisition Company & EAC & B & 31.08 & 14.9 & 7.1 & 5.1 & 11 & -5 \\ \hline Independent Natural Gas and Oil - Small Cap & & & & & & & & & & & & & & & & & & &$	Suncor Energy	SU	В	87.52	17.7	7.1	8.1	16	0.2
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Imperial Oil Limited (30%)	IMO	В	107.12	9.3	5.8	6.8	11	0.8
Norsk Hydro ASA NHY B 155.10 7.8 4.3 5.0 11 2.3 Marathon Oil Corporation MRO B 81.13 8.3 4.4 4.7 8 1.6 Lukol Oil Company LUKOY B 90.00 20.2 5.7 4.7 7 1.3 Median 9.5 5.7 5.5 11 1.5 Independent Natural Gas and Oil - Large Cap and Mid Cap XTO B 43.18 12.1 7.3 6.2 11 0.5 Encana Corporation ECA B 50.65 8.6 5.7 5.7 13 0.8 Cocidental Petroleum Corp. OXY B 104.29 10.4 5.3 4.7 8 0.7 CNOOC Limited (29%) CEO B 82.30 10.0 3.9 3.8 7 3.1 Devon Energy Corporation DVN B 60.78 8.6 5.5 3.8 7 0.7 Median I0.0 5.7 4.7 8 0.7 Independent Natural Gas and Oil - Small Cap Into	Petro-Canada	PCZ	В	49.49	6.9	5.0	5.7	11	0.7
Maratho Oil CorporationMROB 81.13 8.3 4.4 4.7 8 1.6 Lukoil Oil CompanyLUKOYB 90.00 20.2 5.7 4.7 7 1.3 <i>Median</i> 9.3 5.7 5.5 $I1$ $I.5$ Independent Natural Gas and Oil - Large Cap and Mid CapXTOB 43.18 12.1 7.3 6.2 11 0.5 Encana CorporationECAB 50.65 8.6 5.7 5.7 13 0.8 EOG ResourcesEOGB 71.81 9.6 6.7 5.4 12 0.3 Occidental Petroleum Corp.OXYB 104.29 10.4 5.3 4.7 8 1.4 Anadarko Petroleum Corp.APCB 107.92 12.6 6.6 4.7 8 0.7 CNOOC Limited (29%)CEO B 82.30 10.0 3.9 3.8 7 3.1 Devon Energy CorporationDVNB 60.78 8.6 5.5 3.8 7 0.7 <i>Median</i> 10.0 5.7 4.7 8 0.7 Independent Natural Gas and Oil - Small CapEncore Acquisition CompanyBRY B 73.49 10.6 5.0 5.5 15 0.8 Encore Acquisition CompanyEACB 31.08 14.9 7.1 5.1 11 $-$ Energy Partners Ltd.EPLB 26.48 5.7 4.1 3.8 23 $-$	PetroChina Company Ltd (10%)	PTR	В	112.85	11.6	5.7	5.3	10	3.7
Lukoil Oil CompanyLUKOY B90.0020.25.74.771.3Median9.35.75.5111.5Independent Natural Gas and Oil - Large Cap and Mid CapXTO Energy Inc.XTO B43.1812.17.36.2110.5Encana CorporationECAB50.658.65.75.7130.8EOG ResourcesEOG B71.819.66.75.4120.3Occidental Petroleum Corp.OXYB104.2910.45.34.781.4Anadarko Petroleum Corp.APCB107.9212.66.64.780.7CNOOC Limited (29%)CEOB82.3010.03.93.873.1Devon Energy CorporationDVNB60.788.65.53.870.7Independent Natural Gas and Oil - Small CapIoo5.74.780.7Berry Petroleum CompanyBRYB73.4910.65.05.51.50.8Encore Acquisition CompanyEACB31.0814.97.15.111-Energy Partners Ltd.EPLB26.485.74.13.823-IncomeKinder Morgan Energy Partners, L.P.KMRS346.048.315.92.77.0Kinder Morgan Energy Partners, L.P.KMRS346.048.315.92.77.0San Juan Basin Royalty	Norsk Hydro ASA	NHY	В	155.10	7.8	4.3		11	2.3
Median9.35.75.5111.5Independent Natural Gas and Oil - Large Cap and Mid CapXTO Energy Inc.XTOB43.1812.17.36.2110.5Encana CorporationECAB50.658.65.75.7130.8EOG ResourcesEOGB71.819.66.75.4120.3Occidental Petroleum Corp.OXYB104.2910.45.34.781.4Anadarko Petroleum Corp.APCB107.9212.66.64.780.7CNOOC Limited (29%)CEOB82.3010.03.93.873.1Devon Energy CorporationDVNB60.788.65.53.870.7Median73.4910.65.05.5150.8Encore Acquisition CompanyEACB31.0814.97.15.111-Energy Partners Ltd.EPLB26.485.74.13.823-Cimarex Energy CompanyXECB43.617.25.13.680.4MedianS346.048.315.9277.0Kinder Morgan Energy Partners, L.P.KMPS346.048.315.9277.0Kinder Morgan Energy Partners, L.P.KMRS342.828.315.1257.6Canadia	Marathon Oil Corporation	MRO	В	81.13	8.3	4.4	4.7	8	1.6
Independent Natural Gas and Oil - Large Cap and Mid CapXTO Energy Inc.XTOB43.1812.17.36.2110.5Encana CorporationECAB50.658.65.75.7130.8EOG ResourcesEOGB71.819.66.75.4120.3Occidental Petroleum Corp.OXYB104.2910.45.34.781.4Anadarko Petroleum Corp.APCB107.9212.66.64.780.7CNOOC Limited (29%)CEOB82.3010.03.93.873.1Devon Energy CorporationDVNB60.788.65.53.870.7 <i>Median</i> 10.05.74.780.7Median10.05.74.780.7Independent Natural Gas and Oil - Small CapBerry Petroleum CompanyBRYB73.4910.65.05.5150.8Encore Acquisition CompanyEACB31.0814.97.15.111-Energy Partners Ltd.EPLB26.485.74.13.823-Cimarex Energy CompanyXECB43.617.25.13.680.4Median8.95.04.4130.2Median8.95.04.41	Lukoil Oil Company	LUKOY	В	90.00	20.2	5.7	4.7	7	1.3
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Median	ı			<i>9.3</i>	5.7	5.5	11	1.5
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Independent Natural Gas and Oil - La	arge Cap a	nd M	id Cap					
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	XTO Energy Inc.	XTO	В	43.18	12.1	7.3	6.2	11	0.5
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Encana Corporation	ECA	В	50.65	8.6	5.7	5.7	13	0.8
Anadarko Petroleum Corp.APCB 107.92 12.6 6.6 4.7 8 0.7 CNOOC Limited (29%)CEOB 82.30 10.0 3.9 3.8 7 3.1 Devon Energy CorporationDVNB 60.78 8.6 5.5 3.8 7 0.7 Median 10.0 5.7 4.7 8 0.7 Median 10.0 5.7 4.7 8 0.7 Independent Natural Gas and Oil - Small CapBerry Petroleum CompanyBRYB 73.49 10.6 5.0 5.5 15 0.8 Encore Acquisition CompanyEACB 31.08 14.9 7.1 5.1 11 $-$ Energy Partners Ltd.EPLB 26.48 5.7 4.1 3.8 23 $-$ Cimarex Energy CompanyXECB 43.61 7.2 5.1 3.6 8 0.4 Median 8.9 5.0 4.4 13 0.2 IncomeKinder Morgan Energy Partners, L.P.KMPS3 46.04 8.3 15.9 27 7.0 Kinder Morgan Management, LLCKMRS3 42.82 8.3 15.1 25 7.6 Canadian Oil Sands Trust (US\$)COSWFB 32.89 20.0 9.3 11.0 13 7.8 Enerplus Resources Fund <t< td=""><td>EOG Resources</td><td>EOG</td><td>В</td><td>71.81</td><td>9.6</td><td>6.7</td><td>5.4</td><td>12</td><td>0.3</td></t<>	EOG Resources	EOG	В	71.81	9.6	6.7	5.4	12	0.3
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Occidental Petroleum Corp.	OXY	В	104.29	10.4	5.3	4.7	8	1.4
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Anadarko Petroleum Corp.	APC	В	107.92	12.6	6.6	4.7	8	0.7
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	CNOOC Limited (29%)	CEO	В	82.30	10.0	3.9	3.8	7	3.1
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Devon Energy Corporation	DVN	В	60.78	8.6	5.5	3.8	7	0.7
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Mediar	ı			10.0	5.7	4.7	8	0.7
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Independent Natural Gas and Oil - Sn	nall Cap							
Energy Partners Ltd. EPL B 26.48 5.7 4.1 3.8 23 - Cimarex Energy Company XEC B 43.61 7.2 5.1 3.6 8 0.4 Median 8.9 5.0 4.4 13 0.2 Income Kinder Morgan Energy Partners, L.P. KMP S3 46.04 8.3 15.9 27 7.0 Kinder Morgan Management, LLC KMR S3 42.82 8.3 15.1 25 7.6 Canadian Oil Sands Trust (US\$) COSWF B 32.89 20.0 9.3 11.0 15 4.9 San Juan Basin Royalty Trust SJT B 40.11 13.5 11.0 11.0 13 7.8 Enerplus Resources Fund ERF 54.10 9.4 5.7 7.1 12 8.3 Pengrowth Energy Trust PGH 24.74 7.2 5.2 6.8 10 10.8 Penn West Energy Trust (US\$) PWTFF B 39.62 7.9 5.8 6.8 9 9.2	Berry Petroleum Company	BRY	В	73.49	10.6	5.0	5.5	15	0.8
Cimarex Energy Company XEC B 43.61 7.2 5.1 3.6 8 0.4 Median 8.9 5.0 4.4 13 0.2 Income 8.9 5.0 4.4 13 0.2 Kinder Morgan Energy Partners, L.P. KMP S3 46.04 8.3 15.9 27 7.0 Kinder Morgan Management, LLC KMR S3 42.82 8.3 15.1 25 7.6 Canadian Oil Sands Trust (US\$) COSWF B 32.89 20.0 9.3 11.0 15 4.9 San Juan Basin Royalty Trust SJT B 40.11 13.5 11.0 11.0 13 7.8 Enerplus Resources Fund ERF 54.10 9.4 5.7 7.1 12 8.3 Pengrowth Energy Trust PGH 24.74 7.2 5.2 6.8 10 10.8 Penn West Energy Trust (US\$) PWTFF B 39.62 7.9 5.8 6.8 9	Encore Acquisition Company	EAC	В	31.08	14.9	7.1	5.1	11	-
Median8.95.04.4130.2IncomeKinder Morgan Energy Partners, L.P.KMPS346.048.315.9277.0Kinder Morgan Management, LLCKMRS342.828.315.1257.6Canadian Oil Sands Trust (US\$)COSWFB32.8920.09.311.0154.9San Juan Basin Royalty TrustSJTB40.1113.511.011.0137.8Enerplus Resources FundERF54.109.45.77.1128.3Pengrowth Energy TrustPGH24.747.25.26.81010.8Penn West Energy Trust (US\$)PWTFFB39.627.95.86.899.2	Energy Partners Ltd.	EPL	В	26.48	5.7	4.1	3.8	23	-
IncomeKinder Morgan Energy Partners, L.P.KMPS346.048.315.9277.0Kinder Morgan Management, LLCKMRS342.828.315.1257.6Canadian Oil Sands Trust (US\$)COSWFB32.8920.09.311.0154.9San Juan Basin Royalty TrustSJTB40.1113.511.011.0137.8Enerplus Resources FundERF54.109.45.77.1128.3Pengrowth Energy TrustPGH24.747.25.26.81010.8Penn West Energy Trust (US\$)PWTFFB39.627.95.86.899.2	Cimarex Energy Company	XEC	В	43.61	7.2	5.1	3.6	8	0.4
Kinder Morgan Energy Partners, L.P.KMPS3 46.04 8.3 15.9 27 7.0 Kinder Morgan Management, LLCKMRS3 42.82 8.3 15.1 25 7.6 Canadian Oil Sands Trust (US\$)COSWFB 32.89 20.0 9.3 11.0 15 4.9 San Juan Basin Royalty TrustSJTB 40.11 13.5 11.0 11.0 13 7.8 Enerplus Resources FundERF 54.10 9.4 5.7 7.1 12 8.3 Pengrowth Energy TrustPGH 24.74 7.2 5.2 6.8 10 10.8 Penn West Energy Trust (US\$)PWTFFB 39.62 7.9 5.8 6.8 9 9.2	Mediar	ı			8.9	5.0	4.4	13	0.2
Kinder Morgan Management, LLCKMRS342.828.315.1257.6Canadian Oil Sands Trust (US\$)COSWFB32.8920.09.311.0154.9San Juan Basin Royalty TrustSJTB40.1113.511.011.0137.8Enerplus Resources FundERF54.109.45.77.1128.3Pengrowth Energy TrustPGH24.747.25.26.81010.8Penn West Energy Trust (US\$)PWTFFB39.627.95.86.899.2	Income								
Canadian Oil Sands Trust (US\$)COSWF B32.8920.09.311.0154.9San Juan Basin Royalty TrustSJT B40.1113.511.011.0137.8Enerplus Resources FundERF54.109.45.77.1128.3Pengrowth Energy TrustPGH24.747.25.26.81010.8Penn West Energy Trust (US\$)PWTFF B39.627.95.86.899.2	Kinder Morgan Energy Partners, L.P.	KMP	S 3	46.04		8.3	15.9	27	7.0
San Juan Basin Royalty TrustSJTB40.1113.511.011.0137.8Enerplus Resources FundERF54.109.45.77.1128.3Pengrowth Energy TrustPGH24.747.25.26.81010.8Penn West Energy Trust (US\$)PWTFFB39.627.95.86.899.2	Kinder Morgan Management, LLC	KMR	S 3	42.82		8.3	15.1	25	7.6
Enerplus Resources FundERF54.109.45.77.1128.3Pengrowth Energy TrustPGH24.747.25.26.81010.8Penn West Energy Trust (US\$)PWTFF B39.627.95.86.899.2	Canadian Oil Sands Trust (US\$)	COSWF	В	32.89	20.0	9.3	11.0	15	4.9
Enerplus Resources FundERF54.109.45.77.1128.3Pengrowth Energy TrustPGH24.747.25.26.81010.8Penn West Energy Trust (US\$)PWTFF B39.627.95.86.899.2	San Juan Basin Royalty Trust	SJT	В	40.11	13.5	11.0	11.0	13	7.8
Pengrowth Energy Trust PGH 24.74 7.2 5.2 6.8 10 10.8 Penn West Energy Trust (US\$) PWTFF B 39.62 7.9 5.8 6.8 9 9.2	Enerplus Resources Fund	ERF		54.10	9.4	5.7		12	8.3
Penn West Energy Trust (US\$) PWTFF B 39.62 7.9 5.8 6.8 9 9.2	1	PGH		24.74	7.2	5.2	6.8	10	10.8
	6 65	PWTFF	В	39.62	7.9	5.8	6.8	9	9.2
Median 9.4 8.3 11.0 13 7.8	Median	ı			9.4	8.3	11.0	13	7.8

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciationand amortization; NTM = Next Twelve Months Ended March 31, 2007; P/E = Stock Price toEarnings; PV = Present Value of oil and gas and other businesses

A Weekly Analysis of Energy Stocks Using the McDep Ratio May 2, 2006

Oil and Gas Producers Portfolio Composite of Buy Recommendations

		rtfolio Equity		Non- U.S.	North Amer. Natural	Rest of World Natural	Oil	Down-	
	V	Veight	Parts	Home	Gas	Gas	Prod'n	stream	McDep
	Symbol	(%)	of EV	(%)	(%)	(%)	(%)	(%)	Ratio
Mega Cap									
BP plc	BP	2.7	1.0	2.8	0.2	0.3	1.3	1.0	0.97
Total S.A.	TOT	2.7	1.0	2.8		0.8	1.1	1.0	0.88
Royal Dutch Shell plc	RDS-A	2.8	1.0	2.8	0.1	0.6	0.9	1.2	0.87
Exxon Mobil Corporation	XOM	3.0	1.0		0.2	0.8	0.9	0.9	0.86
Gazprom	OGZPF	9.3	3.0	8.5		8.5			0.83
ConocoPhillips	COP	4.6	2.0		0.9	0.5	2.6	1.5	0.78
Chevron Corporation	CVX	5.4	2.0		0.4	0.6	3.3	1.5	0.75
Producer/Refiners - Large Cap		-							
Imperial Oil Limited	IMO	1.5	0.5	1.4	0.2		0.9	0.3	1.17
Norsk Hydro ASA	NHY	1.4	0.5	1.4		0.4	0.5	0.5	1.16
Suncor Energy	SU	1.5	0.5	1.4	0.1		1.3	0.1	1.15
Petro-Canada	PCZ	1.3	0.5	1.4	0.3	0.1	0.8	0.3	1.14
Marathon Oil Corporation	MRO	1.3	0.5		0.2	0.1	0.5	0.6	1.07
PetroChina Company Ltd.	PTR	3.0	1.0	2.8		0.3	2.3	0.3	0.94
Lukoil Oil Company	LUKOY	6.3	2.0	5.6			4.4	1.3	0.82
	NI T	C	111110	N					
Independent Natural Gas and G	-			-	2.4		0.4		0.00
Encana Corporation	ECA	2.7	1.0	2.8	2.4	0.4	0.4		0.99
CNOOC Limited	CEO	3.2	1.0	2.8	0.4	0.4	2.5	0.2	0.98
Occidental Petroleum Corp.	OXY	2.7	1.0		0.4	0.0	2.1	0.3	0.89
XTO Energy Inc.	XTO	2.6	1.0		2.3	0.4	0.5		0.86
EOG Resources	EOG	6.0	2.0		4.5	0.4	0.7		0.81
Anadarko Petroleum Corp.	APC	5.4	2.0		3.4		2.2		0.71
Devon Energy Corporation	DVN	5.3	2.0		3.6		2.0		0.69
Independent Natural Gas and ()il Small(Con							
Berry Petroleum Company	BRY	сар 1.4	0.5		0.2		1.2		1.11
Energy Partners Ltd.	EPL	1.4	0.5		0.2		0.6		0.93
Encore Acquisition Company	EAC	2.1	1.0		0.8		2.1		0.93
Cimarex Energy Company	XEC	2.1	1.0		2.1		0.8		0.71
Children Energy Company	ALC	2.0	1.0		2.1		0.0		0.71
Income									
Canadian Oil Sands Trust (US\$)	COSWF	5.7	2.0	5.6			5.6		1.18
Penn West Energy Trust (US\$)	PWTFF	5.6	2.0	5.6	2.1		3.5		1.17
San Juan Basin Royalty Trust	SJT	6.4	2.0		5.6				1.00
Portfolio Composite		100	35.5	48	31	14	45	11	0.87

A Weekly Analysis of Energy Stocks Using the McDep Ratio May 2, 2006

Index of Recent Research

Stock Ideas

Stock Id	eas		
<u>Date</u>	<u>Symbol</u>	<u>Stock</u>	<u>Theme</u>
1-May	CVX	Chevron Corporation	India Opportunity, Venezuela Risk
28-Apr	APC	Anadarko Petroleum Corporation	Large Cap Resource Target
28-Apr	MRO	Marathon Oil Corporation	Oil Sands Link
28-Apr	XOM	Exxon Mobil Corporation	Low Risk, High Return
28-Apr	NHY	Norsk Hydro ASA	Earnings Blowout
27-Apr	COP	ConocoPhillips	Strong Cash Flow and Value
27-Apr	ECA	EnCana Corporation	Natural Gas at Present Value
26-Apr		Canadian Oil Sands Trust	Distribution Increased 50%
26-Apr	OXY	Occidental Petroleum Corporation	Riding the Oil Trend
26-Apr	PCZ	Petro-Canada	Understated Oil Sands
26-Apr	BP	BP p.l.c.	Understated Russian Resource
26-Apr	CEO	CNOOC Ltd	Burst of Cash Flow
-	XTO		Distributing Royalty Trust Units
21-Apr	KMx	XTO Energy Inc.	False Debt Promotion Unmasked
20-Apr		Kinder Morgan Gazprom	
18-Apr		-	Shares Trading Free at Last!
17-Apr		Penn West Energy Trust	To Buy Petrofund
17-Apr		Lukoil Oil Company	Raise Net Present Value to \$110 a Share
13-Apr	* EPL	Energy Partners, Ltd.	Deep Water Success on First Well
6-Apr	* KMx	Kinder Morgan	Debt Exposé
28-Mar	* EPL	Energy Partners, Ltd.	Denali a Dry Hole
23-Mar	* EOG	EOG Resources Inc.	New Natural Gas Buy Recommendation
21-Mar	* PTR	PetroChina Company Limited	Growing Pains
20-Mar	* SJT	San Juan Basin Royalty Trust	Upgrade to Buy
23-Feb	* BRY	Berry Petroleum	Growth Record
21-Feb	* EAC	Encore Acquisition Company	Steady Progress
16-Feb	* XEC	Cimarex Energy Company	Eyed by Icahn
16-Feb	* TOT	Total S.A.	Challenges of Growth
3-Feb	* RDSA	Royal Dutch Shell plc	Lower NPV to \$80 a Share
3-Feb	* IMO	Imperial Oil Limited	Raise NPV to \$90 a Share
2-Feb	* DVN	Devon Energy Corporation	Raise NPV to \$94 a Share
27-Jan	* SU	Suncor Energy Inc.	Raise Net Present Value to \$75 a Share
Meter R	eader - A W	eekly Analysis	
2-May			Gazprom the Great
25-Apr	*		Portfolio Points
18-Apr	*		Calgary Consolidation
11-Apr	*		Black Gold Rush
Natural	Gas and Oi	l Royalty Trusts - A Weekly Analysis	
28-Apr			The XTO Effect
21-Apr	*		New Billion Dollar Float
14-Apr	*		Distribution Pictures
7-Apr	*		Volume for Income
Inductor	Japa		
Industry 15-Feb	iueas *	Presentation Slides	Russian Natural Gas, Canadian Tar Sands
13-160		i resentation situes	Russian Matural Cas, Canaulan 1 al Sanus

* Archived on www.mcdep.com