

Natural Gas Royalty Trusts

A Weekly Analysis

December 23, 2003

Wealth Preservers

Summary and Recommendation

The three royalty trusts that were covered for the full year in this analysis, **Cross Timbers Royalty Trust (CRT)**, **Hugoton Royalty Trust (HGT)** and **San Juan Basin Royalty Trust (SJT)** distributed income of 10%, 16% and 14% respectively, and appreciated in price 39%, 70% and 56% for total annual return of 49%, 86% and 70%. Fortunately that beat the 20% decline in the value of the dollar as expressed in euros. Coincidentally the lowest McDep Ratio stock a year ago, HGT, returned more than the other two, while the highest McDep Ratio stock, CRT, returned less than the other two. After a strong year, our expectations for future performance have to be more modest. Yet in a continuing environment of weakening confidence in the value of the dollar, natural gas and oil royalty trusts provide a sound, real, income-generating alternative to preserve and enhance wealth.

Kurt H. Wulff, CFA

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

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 22-Dec 2003</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
Dorchester Minerals, L.P.	DMLP	19.96	27.0	540	13.00	-	1.54
Enerplus Resources Fund	ERF	29.87	88.5	2,640	20.00	0.17	1.41
Hugoton RoyaltyTrust (46%)	HGT	22.00	18.4	410	15.80	-	1.39
Pengrowth Energy Trust	PGH	15.98	120.0	1,920	11.00	0.15	1.39
Cross Timbers Royalty Trust	CRT	28.00	6.0	168	20.30	-	1.38
Provident Energy Trust	PVX	8.61	70.6	610	6.00	0.30	1.30
Sabine Royalty Trust	SBR	28.60	14.6	420	22.00	-	1.30
Permian Basin RT (41%)	PBT	8.40	19.1	160	6.50	-	1.30
San Juan Basin Royalty Trust	SJT	21.67	46.6	1,010	18.00	-	1.20
Canadian Oil Sands Trust (US\$)	COSWF	32.61	86.7	2,830	45.00	0.22	0.79
<i>Total or Median</i>				<i>10,700</i>		<i>-</i>	<i>1.34</i>

Buy/Sell rating after symbol: B - Buy, S - Sell

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

Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

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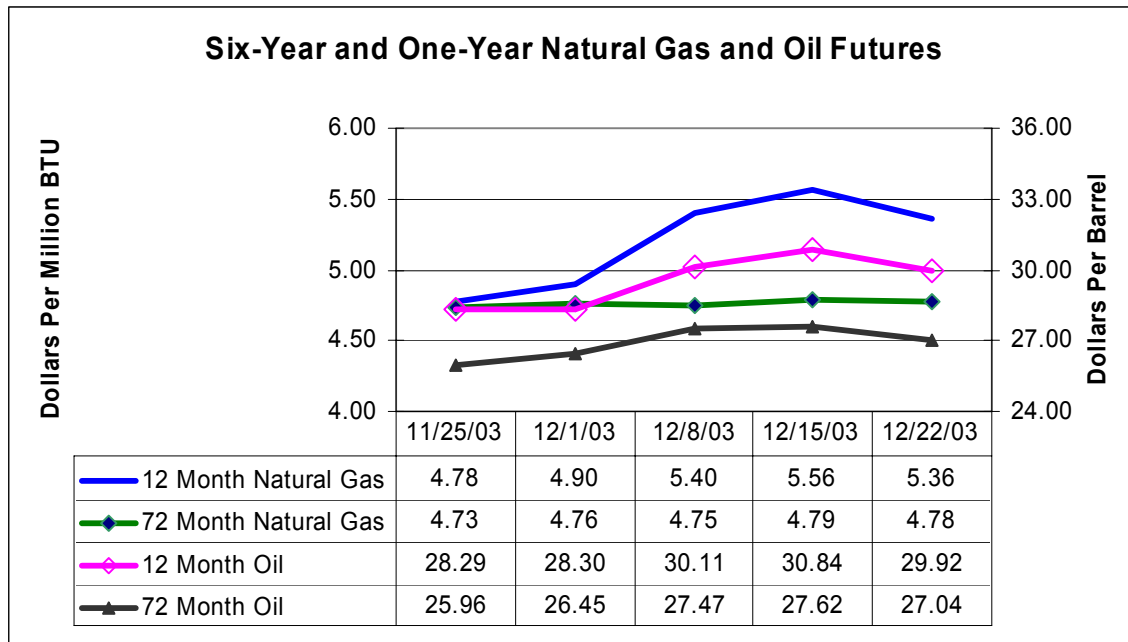
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Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 22-Dec 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
Cross Timbers Royalty Trust	CRT	28.00	8.6	12.2	12	8.1	8.8
Dorchester Minerals, L.P.	DMLP	19.96	10.3	11.3	28	8.9	7.3
Sabine Royalty Trust	SBR	28.60	10.0	10.3	10	9.7	7.9
Permian Basin RT (41%)	PBT	8.40	7.2	10.2	12	8.9	7.9
Hugoton RoyaltyTrust (46%)	HGT	22.00	7.1	9.5	12	8.6	6.8
San Juan Basin Royalty Trust	SJT B	21.67	7.3	9.0	11	9.5	7.5
Canadian Oil Sands Trust (US\$)	COSWF B	32.61	4.4	8.8	14	4.7	11.2
Pengrowth Energy Trust	PGH	15.98	5.6	8.1	15	12.1	5.8
Enerplus Resources Fund	ERF	29.87	5.6	7.8	14	10.8	5.5
Provident Energy Trust	PVX	8.61	4.1	6.3	50	12.9	4.8
	<i>Median</i>		<i>7.2</i>	<i>9.2</i>	<i>13</i>	<i>9.2</i>	<i>7.4</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses



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